United Nations E/2009/SR.5

Economic and Social Council

Provisional

11 June 2009

Original: English

Special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development

Provisional summary record of the 5th meeting
Held at Headquarters, New York, on Monday, 27 April 2009, at 9.00 a.m.

President: Ms. Lucas ..... (Luxembourg)

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The meeting was called to order at 9.05 a.m.

Special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (E/2009/48*)

1. **The President** said that the annual meeting of the Council with the international financial and trade institutions was taking place at a time of great turmoil for the world economy, in which the spiralling human costs were becoming increasingly evident across both developed and developing countries. The crisis had already seriously set back the development efforts of poorer countries and increased the magnitude of the challenges that they faced. Even after overcoming the crisis, the world would be left with immense developmental challenges, including attainment of the goals set in the United Nations Millennium Declaration.

2. It was therefore all the more essential to review the intergovernmental process to provide an effective follow-up to both the Monterrey and Doha conferences and to ensure that the policy commitments made in the Monterrey Consensus of the International Conference on Financing for Development and in the Doha Declaration on Financing for Development were implemented. Under the overall theme of "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development", the current meeting would thus focus on addressing the impact of the global financial and economic crisis on development, including issues related to the international financial and monetary architecture and global governance structures, and on strengthening the intergovernmental inclusive process to carry out the financing for development follow-up. She hoped that the discussions would make full use of the forum as a first opportunity for a truly inclusive multi-stakeholder dialogue on the issues at hand.

3. **The Secretary-General** said that the current global crisis was exposing dangerous weaknesses and flaws in the international economic system. What had begun with financial turmoil in the third quarter of 2007 had escalated into a full-blown global recession. The United Nations system, including the Bretton Woods institutions, foresaw a shrinking global economy in 2009, which would bring down average incomes in much of the world. Global trade was collapsing, and hundreds of millions of people were losing their jobs, their income and their ability to survive. In too many parts of the world, frustration had erupted into violent protests, threatening stability and peace, while development efforts were sagging under the weight of the crisis. Negative effects were expected in nearly every area covered by the Monterrey Consensus and the Doha Declaration.

4. At the recent Group of Twenty (G-20) Summit in London, leaders from around the world had pledged to repair the financial system and strengthen financial regulations, acknowledged the need to reform international financial institutions, pledged to reject protectionism and help the world's most vulnerable people, expressed readiness to embark on a green recovery, and committed more than a trillion dollars to deal with the crisis. It was still necessary to examine where the funds would come from, and to ensure that countries made good on their pledges and that a large enough share of the additional resources would flow to developing countries, so as to help them cope with the crisis and preserve hard-won progress towards reaching the Millennium Development Goals (MDGs). At the very least, existing commitments to increase aid for the poorest countries must be met fully.

5. Urgent action was needed to keep the financial crisis and economic recession from evolving into a major humanitarian crisis and causing a breakdown in peace and security. The United Nations was in the process of establishing a system-wide mechanism for monitoring vulnerability and sounding the alert when necessary. To meet those challenges, the international community should pursue recovery in a way that would promote sustainable development. Indeed, devastating as the crisis was, it was also an opportunity to move towards a "Green New Deal".

6. Recent events had proven the inadequacy of the global economic governance system in the face of current challenges. International institutions and governance structures must become more representative, credible, accountable and effective. While faith in financial deregulation and market self-regulation had been diminished, a new commitment to effective regulation and supervision at the national and international levels was taking shape. New forms of protectionism were also arising and must be resisted, not only in trade, but also in investment and international migration. There also remained an urgent

need to complete the development-oriented Doha Round of trade negotiations.

7. Reforming the international economic system required many steps, and must involve all countries. The United Nations, with its critical role and responsibilities and universal membership, should be fully engaged in the reform process. The international community would have an important opportunity to make progress at the upcoming Conference on the World Financial and Economic Crisis and its Impact on Development, to be convened by the General Assembly in June 2009. The current discussion should generate ideas that would ensure the success of that conference. There was also a need for better follow-up with respect to the Financing for Development process. Participants should discuss those matters and take concrete decisions as soon as possible, as they were matters of life and death for countless people living in poverty and facing even greater hardship in the current tumultuous times.

8. **Mr. Djani** (President, Trade and Development Board, United Nations Conference on Trade and Development (UNCTAD)), said that the current global economic situation reconfirmed the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems. The Trade and Development Board was continuing to address the problems facing developing countries in the financial crisis through research, consensus-building and technical assistance, with particular attention to the interdependence and consistency of international trade, investment and financial policies and arrangements.

9. There appeared to be a broad consensus that financial market deregulation had led to the creation of financial instruments detached from productive activity in the real economy, based on an assumption that past trends in asset prices accurately reflected future trends. The current economic crisis showed that such assumptions would eventually fail, because no investments had been made in the real economy's productive capacity, where they could have generated increases in real income.

10. The crisis would seriously impede the developing world's ability to achieve the MDGs, with negative implications for all six areas covered by the Monterrey Consensus. Its impact on developing countries varied, with some emerging markets suffering foreign-capital flight and costlier external financing. Export revenue had dropped sharply in all countries, exacerbated by a marked decline in commodity prices that particularly impacted the economies of least developed countries, still heavily dependent on commodity exports. Declining remittances from workers overseas, falling foreign direct investment and decreasing development assistance had also contributed to financial burdens. Still, many donor countries were standing by their aid pledges, and a counter-cyclical rise in development aid could help stimulate global demand.

11. The short-term priority for effectively solving the current crisis and preventing its recurrence was to restore financial stability and economic growth through measures to re-build confidence and demand, so as to end the credit crunch and mitigate its impact on output growth and employment. In the medium and long term, the role of Governments was more pertinent than ever in managing the financial system at the national and international levels to strengthen regulation and supervision of financial intermediaries. To avoid systemic crises in the future and reduce the risk of excessive and destabilizing speculation, early warning systems must be set up nationally and internationally, and the global financial system must be reformed around the core principles of transparency, integrity, responsibility, sound banking practice and international governance.

12. All countries needed to contribute to overcoming the global crisis, each in line with its own economic potential. Many developing countries would need assistance with economic infrastructure and productive capacities, however. Policies promoting economic growth, in a context of Government facilitation and full partnership with the private sector, would help to achieve the MDGs. Important steps already taken towards an internationally coordinated response, including counter-cyclical measures to pull the world economy out of the current crisis and reforms in the international financial system, must be pursued further.

13. Also worthy of further exploration was the link between the financial and commodities-futures markets, which had contributed to recent increased volatility in commodity prices. Speculative financial flows had led to instability and misalignment of exchange rates, with repercussions for international trade flows and macroeconomic stability. Many delegations participating in the Board's 2008 session had, therefore, echoed the UNCTAD call for measures

to limit financial speculation and ensure timely and orderly exchange rate alignments, and had raised serious concerns about increasing protectionism. The current crisis called for a review of the system of global economic governance and presented an important opportunity to take decisive steps towards strengthening the coherence among international trade, financial and macroeconomic policies.

14. **Mr. Ochoa** (Observer for Mexico), reporting on the recent meeting of the Development Committee on behalf of the Chairman of that Committee, said that the effects of the financial crisis in the developed countries were now hitting the developing world hard. World trade would fall in 2009 for the first time since 1945, with the Organization for Economic Cooperation and Development (OECD) forecasting a drop of more than 13 per cent. International private capital flows to developing countries had fallen precipitously, with the World Bank estimating a reversal of $700 billion a year since 2007.

15. Progress made towards achieving the Millennium Development Goals was in jeopardy. The World Bank reported that more than 50 million people had already been driven into absolute poverty. Up to 400,000 more children might die each year, and many survivors might suffer life-long ill effects. All members of the international community were challenged to help offset and alleviate the impact of the crisis on developing countries, especially on the poorest and most vulnerable in those societies. Facilitating the recovery of the developing countries would make a major contribution to the recovery of the global economy as a whole.

16. At its meeting the previous day, the Development Committee had called on countries to translate their commitments, including those made at the recent London Summit, into concerted action and additional resources, and had welcomed commitments to substantially increase resources for the International Monetary Fund (IMF), while urging all donors to accelerate aid and to consider exceeding existing commitments. The World Bank Group expected to treble lending by its International Bank for Reconstruction and Development (IBRD) during fiscal year 2009, and had arranged to fast-track resources to the poorest countries.

17. Support had also been expressed at the meeting for World Bank Group initiatives seeking to mobilize resources to help developing countries protect the poorest, reinvigorate trade finance, maintain infrastructure development and create jobs, and support the financial sector in developing countries. The IBRD balance sheet would be put to optimal use, with lending of up to $100 billion over three years. Despite its financial strength, however, the World Bank would eventually need to draw on new resources if the recovery was delayed.

18. He cited enhanced reforms in the governance of the World Bank Group that included the creation of a new chair on the Board to strengthen representation of sub-Saharan African nations. Work would be accelerated with a view to reaching agreement on further reforms by the 2010 meetings. The Development Committee had thus made progress in broadening the consensus of the G-20 leaders to the wider international community; the challenge remained, however, of ensuring that the words of the agreements were translated into timely and purposeful deeds.

19. **Ms. Rugwabiza** (Deputy Director-General, World Trade Organization (WTO)), speaking on behalf of the Governing Council, said that there had never been a more crucial time to adopt a unified strategy to address global problems. The current crisis had occurred at a time of slowing economic growth, turning a moderate slowdown into a sharp decline, and by the end of the year, into a recession in many OECD countries. IMF had just forecast a decline of up to 1.5 per cent in Africa's growth for 2009, affecting the social and economic prospects of African countries and jeopardizing the political stability achieved by many of them in recent years.

20. World Trade Organization economists had projected that the volume of world trade would contract by up to 9 per cent in 2009 owing to the collapse in global demand and shortages of trade finance, exacerbating supply-side constraints in many developing countries. Banks and other financial institutions in many developing countries had initially been thought to have been shielded from the financial crisis, owing to their limited exposure to the markets and the financial instruments at its core. However, it had become clearer than ever that domestic capital markets in developing countries, as well as their access to international capital markets, had been affected significantly.

21. Developing economies, already weakened by the effects of the 2007-2008 food and energy crises, were seeing their sources of finance dry up, in addition to sharp declines in foreign direct investment, remittances, export earnings, tourism revenues and an outflow of domestic savings. Developing countries would find it more difficult to raise capital in the developed world, where they would be competing for resources with Governments seeking to fund their financial and fiscal stimulus programmes. That made it even more imperative to address the challenges facing the global economic and financial governance structure, particularly given that more than two thirds of WTO members were developing countries.

22. Fortunately, there had been no indication to date of more aggressive moves by Governments to restrict trade indiscriminately and across all sectors. The multilateral trading system built over the past 60 years had indeed provided a strong defence against protectionism. Nevertheless, vigilance against low-intensity protectionist measures, including those targeting specific sectors or industries to protect jobs and profit margins, must be maintained. Many such measures might be within the boundaries of current World Trade Organization rules, but their use should be discouraged because they restricted trade in goods and services, the single most powerful stimulus of growth in developing countries.

23. The estimated average global rate of duty would double, and the value of trade would drop by a further 8 per cent if members were to raise their applied tariff rates to the levels of the WTO bindings. Clearly, the best practice in the current circumstances would be to reduce trade restrictions so as to cut costs and prices worldwide, complemented by the appropriate financial and fiscal stimulus. Where subsidies were affordable, their full value as a stimulus for economic activity would come from targeting them at consumption, not production, with consumers free to choose goods and services internationally. Completing the Doha Round would be the surest way to safeguard individual trade interests and the multilateral trading system against the threat of protectionism. Pending conclusion of the Round, the G-20 commitment not to impose new trade restrictions and trade-distorting subsidies was of particular importance to the majority of developing countries, whose economies were more vulnerable to new trade barriers.

24. The Aid-for-Trade Initiative launched in 2005 had brought a new political focus to ongoing efforts to help developing countries, particularly least developed countries, integrate into the multilateral trading system. Despite a significant expansion of Aid-for-Trade programmes in 2006 and 2007, there was nevertheless concern that official aid flows would fall in the current downturn and could become more volatile as donors scaled down ODA budgets. Aid flows might also be affected because most donors expressed those budgets as a share of gross domestic product, which in some cases was shrinking. From the start, the Aid-for-Trade Initiative had prioritized trade finance or access by developing-country exporters and importers to cheap, reliable credit. The crisis had made intervention in that area even more urgent.

25. However, the drying up of global liquidity, combined with a general reassessment of risks by commercial banks, had led to a rise in the cost of trade finance instruments such as letters of credit. In cooperation with other multilateral and regional organizations, the World Trade Organization had helped mobilize various actors to shoulder some of the risk from the private sector and encourage co-financing between providers of trade finance. In that respect, it welcomed the G-20 consensus to support global trade flows with assistance to finance trade. The $250 billion committed demonstrated the international community's capacity to address urgent global needs and to recognize the role of trade as an engine of growth.

26. **Mr. Dimian** (Deputy Chairman, International Monetary and Financial Committee (IMFC)) said that the title of the Global Monitoring Report 2009, "A Development Emergency", could not be more apt, as the global economic crisis was rapidly becoming a human and development emergency. Reporting on the outcomes of the nineteenth meeting of the International Monetary and Financial Committee, he said that economies were contracting in both developed and developing countries and that emerging markets and low-income countries were facing specific challenges, partly owing to currency depreciation and reliance on capital flows to refinance debts. Some developing countries had demonstrated resilience thanks to their coherent policy stance over the past few years; nevertheless, even they were not immune to the effects of the crisis.

27. At the Committee meeting, members had reaffirmed their own policy stance in managing the

crisis, which focused on restoring the health of the financial sector; maintaining the central role of IMFC in responding to the crisis; and boosting real economic growth using fiscal and monetary tools. It had been agreed that countries should be allowed to continue to use such tools as necessary, provided they did not negatively impact on the long-term sustainability of their fiscal policy or price stability goals.

28. It was important to provide a global financial safety net. He welcomed the overhaul of the International Monetary Fund (IMF) lending and conditionality framework as well as the doubling of normal access limits for all borrowers, which would contribute to financial stability in the long run. To strengthen such a safety net in the face of the crisis, IMF should double its concessional lending capacity for low-income countries; rapidly complete reforms of the Fund's facilities for low-income countries; review options to enhance flexibility within the Debt Sustainability Framework in Low-Income Countries; and rapidly approve the pending amendment of its Articles of Agreement for a special one-time allocation of Special Drawing Rights, as well as a general allocation of Special Drawing Rights equivalent to US$ 250 billion, to become effective before the 2009 Annual Meetings. He also called for the amendment and expansion of the New Arrangements to Borrow by up to $500 million and the prompt start of the fourteenth general review of quotas, with a view to completing the review by 2011.

29. With regard to surveillance, it was important to improve analysis of macrofinancial linkages and to increase the capacity of IMF to monitor, report on and assess cross-border systemic risks. He welcomed the Fund's joint early warning exercise with the Financial Stability Board (FSB) and called for the incorporation of financial sector surveillance into Article IV consultation. It was crucial to improve the candour, even-handedness and independence of the surveillance process and to further develop the Financial Sector Assessment Programme (FSAP) as a vehicle for surveillance work.

30. Early action by national authorities to make the April 2008 agreements on quota and voice reform and on the Fund's new income model effective was essential. Lastly, it was crucial to ensure a stronger role for the Committee in the Fund's strategic decision-making process as well as for the Executive Board.

31. **Mr. Qureshi** (Senior Adviser to the Chief Economist, World Bank) introduced the *Global Monitoring Report 2009,* which had been prepared jointly by the World Bank and IMF. His introduction was accompanied by a computerized slide presentation.

32. The current global economic crisis hit poor countries hardest, as they had the least means to withstand such crises, and threatened to undermine their hard-won gains in economic growth and poverty reduction. Private capital flows to developing countries were in steep decline and likely to become negative in 2009. Estimates of developing countries' financing gap in 2009 were as high as $1 trillion. As a result of the severe financial crisis, economic growth in developing countries was plummeting, with per capita income set to fall in more than 50 of those countries. The slowdown was expected to trap an estimated 55 million to 90 million more people in extreme poverty in 2009; furthermore, while food prices had fallen since mid-2008, the food crisis was far from over. Efforts to mitigate its effects, including boosting agricultural investment, must not be slackened.

33. Growth collapses were costly in human terms. The economic slowdown would raise the number of hungry people in developing countries to over one billion in 2009. The overall outlook for the Millennium Development Goals, already a cause for serious concern, was now even bleaker. The current crisis created new risks, with most of the human development targets unlikely to be achieved according to current trends; prospects were gravest in the health sector.

34. At the regional level, sub-Saharan Africa was falling short of all the MDGs, while South Asia lagged on those related to human development. At the country level, the majority of developing countries were at risk of missing most of the MDGs and many low-income countries faced serious shortfalls, but the situation was especially grave in fragile states.

35. An effective response to the development emergency required, among other measures: ensuring an adequate fiscal response to support growth and protect the poor; improving the economic climate for recovery in private investment; redoubling efforts to achieve the human development targets; scaling up aid to poor and vulnerable countries; maintaining an open trade and finance system; and ensuring that the multilateral system had the mandate, resources and

instruments to support an effective global response to the global crisis. While a vigorous private sector response was needed, more financing was only part of the answer. Infrastructure spending in developing countries was only half of the estimated annual need of $900 billion. The infrastructure financing gap in Africa was $40 billion annually, but that number could be reduced by 45 per cent through improved management, efficiency and cost recovery.

36. In addition, countries must accelerate progress on the human development MDGs by reinforcing key public programmes in health and education and better leveraging the private sector's role in service financing and delivery. The crisis called not only for delivery on past aid commitments, but also for urgent scaling up of aid, including through the private sector, which was an increasingly important partner in development. Rising pressures for trade and financial protectionism must be resisted, as such measures would only exacerbate the current crisis. In that connection, quick and successful completion of the Doha Development Round would boost the confidence of the global economy. Finally, international financial institutions must have adequate resources to respond to the crisis; recent decisions by the G-20 constituted major steps towards providing those needed resources. In the current difficult global situation, international cooperation was needed more than ever.

Addressing the impact of the global financial and economic crisis on development, including issues related to the international financial and monetary architecture and global governance structures

37. **The President** said that the current multidimensional crisis most deeply affected developing countries. It was therefore crucial to take decisive action to help those countries, which had limited resources to finance measures to mitigate the effects of the economic slump and to invest in infrastructure, social programmes and job creation. Official development assistance was also likely to diminish. Resolving the crisis required the urgent attention of policymakers everywhere.

38. Developed countries should seek to ensure that their recovery programmes did not impose short-term or long-term costs on developing and transition economies. At the same time, developing countries should be given better access to the funding offered by international financial institutions. Long-term institutional and regulatory reforms should be adopted to reduce the risks and impacts of future economic and financial crises. The world economy required macroeconomic coordination mechanisms that were credible, effective and representative, with governance structures that were duly representative of all countries' interests and that set clear policy guidelines.

39. **Mr. Panitchpakdi** (Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)) said that while the advanced economies were beginning to focus on recovery and exit strategies for late 2009 and early 2010, the recovery process for developing countries would take much longer and further crises were likely to emerge in the meantime. While welcoming the IMF supplementary funding agreed at the April 2009 meeting of the Group of Twenty, he stressed the importance of using such funds to help countries put in place stimulus measures; pro-cyclical policies should be avoided at all costs.

40. It was estimated that developing countries would experience a net shortage of $2 trillion in financing resources in 2009. It was questionable whether the stimulus funds injected into the world economy thus far would cover that sum, especially given that, even in 2008, there had already been a shortfall of $29 billion in reaching the Gleneagles targets. Additional means would likely be needed to achieve those targets in 2009. If trade financing was not forthcoming, UNCTAD recommended promptly establishing a temporary moratorium on official debts for poor economies and adjusting the Basel II rules, which would free up banks' trade financing without needing additional official resources.

41. With regard to new regulations, it was important to accurately assess the social costs and benefits of financial innovations, to carry out macroprudential oversight, and to avoid regulatory arbitrage. Finally, in reforming the international financial architecture, one-size-fits-all solutions should not be imposed on developing countries. Those countries should avoid boom-and-bust cycles and should be given assistance with stabilizing exchange rates.

42. **Mr. Palouš** (Observer for the Czech Republic), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Montenegro

and Serbia; and, in addition, Armenia, and the Republic of Moldova, said that, contrary to expectations, the current economic crisis was also affecting the developing world on several fronts, including, inter alia, investment in infrastructure, job creation, growth rates and private equity flow remittances. According to the World Bank, the number of persons living in poverty could soon exceed one billion, jeopardizing the Millennium Development Goals and giving rise to serious political and security threats, as well as humanitarian, environmental and economic consequences.

43. It was thus more important than ever to act in a unified fashion. As a universal body, the United Nations had a vital role to play in international economic and social matters, and the Organization's capacity to promote economic and social advancement should therefore be strengthened. It was also necessary to take measures to ensure the effective functioning of the Bretton Woods institutions. The European Union supported developing countries in their response to the crisis and shared their vision that development was part of the solution and a basis for peace and stability. It recognized the collective responsibility to mitigate the social impact of the crisis and was committed to supporting those affected by it through the creation of employment opportunities and income support measures. The European Union also pledged to honour its development assistance commitments and its commitment to achieving the Millennium Development Goals.

44. In view of the wide range of measures that were needed for a global economic recovery, the following should be given priority: continuing international coordination of fiscal stimulus measures, restoring the functioning of the credit markets and facilitating the flow of lending, ensuring consistency of fiscal measures with longer-term measures, and avoiding all forms of protectionism. Free and fair trade was a key element of global recovery. The European Union therefore called for a rapid and balanced implementation of the Doha Development Agenda, which was the best guarantee against protectionism.

45. The crisis had revealed major flaws in financial regulation and supervision at both the national and international levels. Restoring confidence in and the proper functioning of the financial markets, stricter oversight and the reform of the global financial system were indispensable for resolving the crisis and preventing future ones. The European Union welcomed efforts by the International Monetary Fund (IMF) to adjust its institutional and financial structure and supported the threefold increase in its resources aimed at countering the effects of the crisis. In that connection, European Union member States had agreed to provide Special Drawing Rights equivalent to €75 billion as urgent, temporary support for the Fund. They also welcomed the creation of the Financial Stability Board, which included all Group of Twenty members, and the decision to speed up the governance processes of the World Bank and IMF. The international financial institutions should be reformed to reflect the relative economic weight of actors in the global economy and give greater voice to emerging and developing economies.

46. **Mr. Alexander** (United Kingdom) said that, at the recent Group of Twenty summit in London, his Government had worked hard to ensure that development and the needs of the poorest countries were at the heart of international efforts to restore stability and growth. Although $50 billion in additional resources had been pledged at the summit to help developing countries, that amount was not sufficient to meet their needs.

47. While donors had yet to meet the commitments that they had made at Gleneagles in 2006, his country was on course to allocating 0.7 per cent of its gross national income (GNI) to official development assistance by 2013, despite the economic downturn, and called on other Member States to fulfil their commitments in that regard. Urging the United Nations to play a more active role in responding to the crisis, he said that the upcoming Conference on the World Financial and Economic Crisis would be an opportunity for the Organization to further define its role.

48. **Mr. Boyce** (Barbados), speaking on behalf of the Caribbean Community (CARICOM), said that it was ironic that developing countries, such as the CARICOM States, which were on the periphery of the global economy and had done nothing to provoke the current economic crisis, were being forced to bear its brunt. The tourism sector, the principle source of foreign exchange and largest employer in most CARICOM economies, had been severely hurt and foreign direct investment had declined sharply.

49. In order to avoid a prolonged decline in their economies, developing countries needed developed countries to honour their commitments to achieving the official development assistance target of 0.7 per cent of GNI. Although CARICOM Governments had taken some counter-cyclical measures, their ability to put in place large-scale stimulus packages was undermined by high debt levels, declining tax revenues and lack of financing. CARICOM therefore reiterated its call for a re-evaluation of the criteria used when deciding whether to give developing countries concessionary financing.

50. Vulnerable to hurricanes and rising sea levels caused by climate change, many middle-income Caribbean countries had had to undertake large and expensive projects to save their beaches, which were, in some cases, those countries' only source of income. Small island developing States should therefore be provided with grant financing for all climate-change adaptation measures, and developed countries should ensure that financing was made available specifically for such measures. The international financial institutions should also continue to relax their lending rules.

51. The existing governance structure of the international financial system, which had been a major cause of the current crisis, was incapable of meeting the needs of an interdependent global economy and required radical reform. In addition to giving small island developing States a voice, such reform should lead to a structure that was democratic and transparent, better equipped to prevent and manage financial crises and capable of providing adequate liquidity and financing for global development.

52. It was the right of developing countries to participate fully in the formulation of rules that affected them. The Caribbean Community therefore urged the Council to elevate the status of the Committee of Experts on International Cooperation in Tax Matters to that of an intergovernmental subsidiary body in order to give developing countries a voice in the decision-making process. Lastly, the unilateral imposition of a tax on air travel by developed countries, as part of their response to climate change, had the potential to further devastate the tourism sector in the Caribbean. While CARICOM member States fully supported international efforts aimed at addressing climate change, they had not caused climate change and should not be required to pay for it, either directly or indirectly.

53. **Ms. Wieczorek-Zeul** (Germany) said that, like a natural disaster, the man-made economic crisis was expected to have catastrophic effects. It was therefore imperative for Member States to work together to stave off the impact of the crisis on the poorest countries by giving them more grants and helping them to take counter-cyclical measures. It was also important to frontload the replenishment of the International Development Association (IDA).

54. Her Government was committed to meeting its official development assistance goals and its second economic stimulus package had included allocations for aid to developing countries. Recalling that less private capital was being made available to micro-financing banks, she said that official development assistance funds should be used to help stabilize the poorest countries.

55. Council members and the Bretton Woods institutions should take advantage of the current meeting to consider what could be done to prevent a recurrence of such a severe economic crisis. They also needed to consider the role of the World Bank in development cooperation, the role of IMF in crisis financing, lending and surveillance, and how to improve the governance structure of financial institutions, including in developing countries.

56. **Mr. Kvasov** (World Bank) said that the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries attached great importance not only to the volume of resources transferred but also to the transaction cost and efficiency of such transfers. The Bank was planning to increase its lending volume to $100 billion, which was triple the volume of 2008, over the next three financial years while maintaining zero growth in administrative budgets, simplifying policies and procedures and dispensing with outdated conditions.

57. The Bank intended to make use of the $42 billion raised during the fifteenth replenishment of IDA as soon as possible to help countries that urgently required assistance. However, in view of the severity of the current crisis, serious thought should be given to a sixteenth replenishment of IDA. The Bank also continued to work on improving internal governance,

decentralizing operations in order to bring the Bank closer to its clients and achieving greater efficiencies.

58. Council members should think carefully about the link between enhanced voice and participation in the decision-making process and the efficient delivery of financial resources. At a recent meeting of the Joint Development Committee, the President of the Bank had outlined several options for increasing voice and participation, including increasing the Bank's capital in conjunction with a meaningful realignment of shareholding.

59. **Mr. Di-Aping** (Sudan), speaking on behalf of the Group of 77 and China, said that, if the United Nations was to have any relevance in contemporary international affairs, it should honour the purposes enshrined in its Charter, including, inter alia, achieving international cooperation in solving international problems of an economic, social, cultural or humanitarian character and harmonizing the actions of nations in the attainment of those common ends.

60. Member States simply had to act decisively because they already possessed the resources needed to respond to the current economic crisis. Indifference to the plight of the impoverished and underdeveloped, along with the well-honed practice at Headquarters and IMF of falling back on agreed language, pragmatism and common ground, would lead to failure. Achieving sustainable development and the Millennium Development Goals and rescuing millions from being pushed into degrading poverty required a coordinated and comprehensive global response.

61. Any assistance provided by developed countries in response to the economic crisis should be in addition to existing official development assistance commitments and developed countries should urgently fulfil their commitments to allocate 0.7 per cent of GNI to official development assistance. In that connection, the Group of 77 and China applauded the World Bank's initiative aimed at establishing a global vulnerability fund. Emphasizing that the current crisis should not be used as a pretext for protectionist measures, he called on developed countries, especially the European countries, to eliminate export subsidies and non-tariff restrictions, in particular on agricultural products.

62. Developing countries should be provided with more unconditional concessional financing, including from multilateral, bilateral and private resources. Trade and investment were key elements to restoring global growth. The Group of 77 and China therefore reiterated their commitment to the achievement of an open, rules-based and equitable multilateral trading system and the successful conclusion of the Doha Development Round. The reform of the international financial system was also vital, and the nations of the South should be fully represented in the decision-making process on economic and financial matters.

63. IMF should create an effective financial "early warning system" and explore alternative methods of providing financing to countries affected by the crisis, including the possible creation of trust funds and new loan facilities. Any response to the current crisis should take into account the interests and needs of developing countries. The capacities of existing and future regional mechanisms and institutions should be maximized in order to ensure the creation of democratic financial systems that were based on regional economic realities and endowed with transparent and accountable governance.

64. The upcoming Conference on the World Financial and Economic Crisis should lay the foundations for a new body that would address all financial and economic issues of interest to Member States. The Group of 77 and China were open to discussing the form, composition, mandate and legal status of such a body on the basis of a common understanding that there was a need for a permanent mechanism on economic and financial matters.

65. **Mr. Koenders** (Netherlands) said that to date, the dramatic impact of the current situation on the poorest countries had not been addressed sufficiently in the work of international institutions. In order to remedy the financial crisis, which had led to political and social crises in many countries, two key issues must be tackled, namely, the long-term construction of a new system of global governance and financial architecture, and the relationship between the real and the financial economies, particularly in the aftermath of a spate of severe "casino capitalism".

66. He wondered to what extent the economic recovery that stimulus packages brought about was related to green recovery, in light of the agreement on climate change to be reached in Copenhagen in late 2009. Other matters of concern included the drying up of almost all funds for the poorest countries and financial protectionism in other parts of the world. Asset recovery resulted in a significant reduction in

financing for trade and debt rollover for the poorest countries.

67. Despite the current troubles, however, there were signs of hope to be found in the international community's response of cooperation and increased multilateralism in confronting the crisis. His Government would uphold its commitment to work towards 0.8 per cent of official development assistance (ODA) in addition to allocating an additional 500 million euros for clean energy in developing countries, and urged other Governments to do more in that regard. Another reason for optimism was the fact that, while unilateral protectionist policies persisted in several countries, there was for the first time in years a clear willingness to reform the international financial institutions in a manner that combined legitimacy and effectiveness.

68. While important progress had been made at the recent Development Committee meeting in Washington, funding flows must be further strengthened, as predictable finance, while urgent, was still underestimated. Furthermore, such short-term funding increases to poor countries and longer-term questions needed to be addressed hand in hand, rather than at the expense of one another.

69. Bridge-building between the Group of Twenty (G-20), international financial institutional reform and the United Nations system was fundamental and must be taken seriously; furthermore, the right of the poorest countries to a stake and representation in international organizations must be promoted, as must greater effectiveness in the area of financing for international development.

70. **Mr. Zhang** Yesui (China) said that his delegation would like to emphasize three points. First, he hoped that the relevant agencies would implement the commitments made to provide additional financing to the poorest countries through the World Bank vulnerability framework at the G-20 summit. Second, the financial crisis should not serve as a justification for protectionism, which must be resisted. International coordination would be necessary to avoid protectionism in the guise of fiscal packages. Third, the upcoming Conference on the World Financial and Economic Crisis would provide an opportunity to learn more about the experiences of member States, particularly developing countries, and to work towards reforming the international financial architecture.

71. **Ms. Rice** (United States of America) said that her Government remained deeply concerned about the impact of the financial crisis on the poorest and most vulnerable. Countries must work together to safeguard the progress made towards halving extreme poverty by 2015, progress that was imperilled by the crisis. Concerns about development, rightly, loomed large at the current time, as many countries were facing steep decreases in trade and remittance flows, a situation exacerbated by tight credit markets. The high-level meeting allowed countries in attendance to better understand and counteract the impact of the crisis on development and to hear from countries most directly affected by the current financial situation.

72. The severity of the economic crisis had required responses at the national and international levels. In the previous three months, her Government had undertaken unprecedented job creation initiatives and financial regulatory reforms to guard against future crises. At the recent G-20 Summit, leaders from developing and developed countries had agreed to form a united front to create jobs and stimulate the global economy, make financing available to emerging and developing economies through the International Monetary Fund (IMF) and multilateral development banks, reform the financial regulatory system, help emerging economies stay afloat and encourage trade. Her Government's commitment to assisting the world's poor was also underscored by its pledge to double funding for agricultural development, to financially assist countries most severely affected by the crisis and to combat food insecurity.

73. While the profound suffering caused by the crisis worldwide had led some to call for radical change in financial institutions and for the creation of new systems and organizations, the international community should instead advance the important reforms currently under way to strengthen international institutions and make markets function better, in order to restore the broad-based growth necessary to reduce poverty. Her Government firmly supported efforts to that end.

74. The United States of America was seizing the opportunity presented by the current challenge to invest in its long-term growth by shifting its economy to a low-carbon future. Lastly, she welcomed the establishment by the Chief Executives Board for Coordination of a monitoring and alert mechanism to track developments, which would supplement the

sparse data that the United Nations currently had on the political, social, economic and gender effects of the crisis.

75. **Mr. Hosseini** (Observer for the Islamic Republic of Iran) said that it should be noted that the global crisis had begun in the United States of America and Europe and had since extended to most of the world. Initially a financial crisis, it later took on economic, trade, human, social and development-related dimensions. At a time when the international community should have been close to achieving the Millennium Development Goals (MDGs) and spreading the fruits of development worldwide, it was instead forced to confront a devastating global recession and the resulting losses, especially in developing countries.

76. Through the World Bank, the International Monetary Fund and the World Trade Organization, industrialized countries had encouraged excessive deregulation of markets and economic globalization, thereby saddling developing countries with the fallout from that approach. Rather than adopt palliative measures to deal with the crisis, a genuine solution must be found. The disproportionate growth and development of the financial economy in relation to the real economy must be addressed. In that connection, different financial models, such as the Islamic model, should be considered in an open and unbiased manner.

77. **Mr. Dapkiunas** (Belarus), speaking on behalf of the Eurasian Economic Community (EURASEC), said that the main tasks of the upcoming Conference on the World Financial and Economic Crisis were to build a solid political framework for the effective implementation of measures to confront the crisis, and to continue working to restructure the global financial and economic system based on the principle of multilateralism. In that context, his Government supported the development of universal agreements that would establish rules for a new model of national and supranational economic and financial regulations.

78. In view of the theme of the special high-level meeting, he highlighted EURASEC support for proposals to develop new credit mechanisms that could provide adequate assistance to countries in financial difficulty. Regional financing mechanisms for economic development should be strengthened. The World Bank should mobilize additional funding at the global level in order to bolster its lending capacity, including support for trade financing. The Community called on the Bank to relax the existing borrowing limits for individual borrowers and provide funding for infrastructure projects in low- and middle-income countries.

79. In addition, it was essential to solve the problem of external debt and improve the reserve currency system in the context of international financial reform, so as to guard against recurrent collapses of the global economy. EURASEC supported the expansion of the reserve currency basket based on agreed-upon measures, such as developing regional systems to stimulate the development of large regional financial centres and reduce the volatility of reserve currency exchange rates. In that connection, the creation of a supranational reserve currency would be a promising approach.

80. The Community also called for greater transparency in the regulation of global markets and stronger cooperation among national regulatory bodies. All financial activities should be effectively regulated and monitored, including those conducted in the so-called shadow banking system. EURASEC supported G-20 decisions on strengthening oversight of hedge funds and private capital pools, given their impact on world markets.

81. The role and mandate of IMF should be reviewed in order to adapt it to the new world monetary and financial structure, and a firm commitment must be made to bringing about such reform on a clearly defined schedule. EURASEC had taken note of the recommendation to establish a consultative mechanism for analysing global economic policy, including its social and environmental dimensions, based on the Intergovernmental Panel on Climate Change model. Lastly, it was important to identify the obstacles that prevented Member States from establishing a more effective and fairer system of international economic relations within the framework of existing United Nations bodies.

82. **Mr. Mojarrad** (Executive Director for the Islamic Republic of Afghanistan, Algeria, Ghana, the Islamic Republic of Iran, Morocco, Pakistan and Tunisia; International Monetary Fund (IMF)) said that he wished to address the concerns expressed by some speakers regarding the Fund's lending policies and reforms. The IMF Board of Governors had recently discussed the lending policy for emerging markets,

developing countries and low-income countries. For Fund-supported programmes for those countries, conditionality was more flexible, less restrictive and targeted to the crisis. The access limit was much higher, and new instruments were being introduced to address the impact of the crisis on developing countries.

83. The most pressing issue regarding the IMF reform was the question of the quota formula, which would have to be modified to give developing countries greater representation — particularly in light of the severity of the crisis — as the old formula did not reflect fairly their importance in the global economy. Lastly, he emphasized the importance of the role of the Board of Governors and noted that caution should be exercised so as not to modify the function of the International Monetary and Financial Committee (IMFC), which had an advisory role vis-à-vis the Board.

84. **Ms. Viotti** (Brazil) said that a consensus was emerging at the high-level meeting on such issues as short-term measures to enable an adequate fiscal response by developing countries while allowing them to continue making progress towards development. Those measures would require mobilization of multiple forms of additional new funding, including trade financing, debt relief or cancellation and capital flows. The presentation of the World Bank Global Monitoring Report, among others, made it clear that such mobilization must go beyond current commitments in order to address the demands of developing countries.

85. Other important issues included the need to broaden the representation of developing countries in the governance structures of the global financial system and carrying out a review of the mandates of international financial institutions to make them more development-oriented. In that connection, she highlighted the important proposals contained in the Stiglitz Commission report, with particular attention to measures that would provide additional liquidity and funding to developing countries, preferably without burdensome conditions. The upcoming Conference on the World Financial and Economic Crisis should discuss structural issues related to the reform of the international economic system in support of development, as sustainable long-term recovery from the crisis would entail an integrated approach.

86. **Mr. Debevoise** (Executive Director for the United States, World Bank), said that the multilateral development banks (MDB) had a critical role to play in mitigating the impact of the global economic slowdown on poverty reduction and sustainable development. At its meeting the previous day, the Committee for Development Policy had supported expansion of MDB lending and the development of new instruments. The World Bank was fast-tracking development assistance, devising new private-sector financing programmes and adopting more flexible approaches to leveraging capital for development.

87. The United States was committed to active participation in the reviews of MDB resources called for at the G-20 Summit. Such reviews would provide an opportunity to explore reforms that could enhance the deployment of funds in a way that addressed the needs of the poorest countries that were suffering disproportionately from the crisis. But the efforts of MDBs needed to be accompanied by financial and economic policies that maintained openness and eschewed protectionism. The recent food crisis had demonstrated that trade taxes, quotas and export bans only served to exacerbate shortages and price volatility.

88. The United States had been a leader in the two-phase governance reform process already under way at the World Bank, having agreed to a reduction in its vote and a corresponding increase the vote of sub-Saharan Africa. In the second phase of reform, the Bank's governance and development policies would be further adapted to reflect the weight of new dynamic economies. The Bank was committed to a consultative country-driven approach. Its flexibility and responsiveness had been illustrated over the preceding few days by its quickness to make available resources for medical supplies and media awareness campaigns to address the ongoing swine flu outbreak.

89. **Mr. Ugarteche** (Center of Concern) said that a situation in which developing countries financed the deficits of developed economies was unacceptable. Any response to the crisis needed to address its many interrelated aspects, and in particular climate change, which affected developing countries disproportionately. Unfortunately, the G-20 was not representative of the international community. The United Nations was the legitimate body to coordinate international action on economic as well as security matters, and needed to regain its pivotal role in designing a global economic architecture founded on human rights and gender

equality. In that regard, the upcoming Conference on the World Financial and Economic Crisis should be attended at the highest level.

90. In addition to legitimate and representative structures, sound policies needed to be developed that ensured space for counter-cyclical measures and served the interests of all actors, large and small. Developing countries should be freed from policy constraints that prevented them from deriving full benefit from their exports. The G-20 Summit Leaders' Statement had expressed support for discussion of a charter for sustainable development. The United Nations was the only legitimate framework for such a discussion, which should engage the voices of all concerned groups, including workers, peasants, women and indigenous peoples. He urged the upcoming Conference to take up the idea of a global economic coordination council proposed by the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System.

91. Conditionalities imposed by the World Bank and IMF on public spending continued to force pro-cyclical policies with negative social consequences on developing countries. It was ill-advised to continue to allocate greater resources and responsibilities to the very institutions that were believed by many to be the cause of the crisis until those institutions had undergone reforms along the lines recommended by the Monterrey Consensus and the Doha Review Conference. Expertise alone could not resolve the crisis in the absence of legitimacy and good governance in the International Financial Institutions (IFI). Towards that end, he recommended the convening of a second United Nations Monetary and Financial Conference.

92. **Mr. Virmani** (India) said that the current crisis had affected all elements of the global system, including the goods and services, trade, and financial sectors. Since the relative importance of those sectors differed from country to country, country-specific solutions needed to be devised. The crisis had originated in the financial sectors of the developed countries, and confidence needed to be restored in those sectors in order to revive growth. But the crisis had spread to developing countries, and measures were also needed to restore confidence in emerging markets.

93. There had been substantial agreement at the G-20 Summit on some of the needed steps, including expansion of the resources of IMF and the Asian Development Bank (ADB), acceleration of the quota review process, and an increase in Special Drawing Rights (SDR). In addition, stronger regulation and supervision was essential to avoid repetition of such crises in the future, and expansion of representation on the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS) were key steps in this regard. He commended the flexibility and open-mindedness of the World Bank on those and other issues.

94. **Ms. Algayerova** (Observer for Slovakia) said that the emerging markets of Central and Eastern Europe were among the most vulnerable and the most urgently in need of funding from IMF and other sources to fill the financing gap. Countries such as hers that were in the European Union (EU) stood a better chance of weathering the current storm because they had an additional source of external assistance. Even so, growth was expected to slow dramatically over the next two years in her country, although it fully intended to keep its development assistance commitments. Overcoming the crisis would require coordination of national macroeconomic policies, a process in which the United Nations should play a crucial role. The international community needed to honour its commitments under the Monterrey Consensus and involve all stakeholders in any further action that it took.

95. **Ms. Sahussarungsi** (Observer for Thailand), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that a reinvigorated multilateral approach within the United Nations framework could play a crucial role in mitigating the impact of the crisis on developing States. Coordination among national, regional and international macroeconomic policies was essential for long-term stability, to which end realignment of the relationship among the United Nations, the Bretton Woods institutions, and the World Trade Organization (WTO) should be explored. Reform of global economic governance was necessary to make the system more inclusive, equitable and transparent. A global monitoring mechanism was needed to restore confidence in the market and provide early warning of future crises. Additional resources should be provided to developing countries for counter-cyclical policies,

crisis mitigation and continued pursuit of their development agendas.

96. Thailand welcomed the initiatives of IMF and the World Bank in this regard, and hoped that unwarranted conditionalities would not be imposed on such assistance. Greater commitment to avoiding protectionism and an early conclusion to the Doha Round would also be critical to recovery, and a "scorecard" approach should be adopted to monitor protectionist policies country by country. The honouring of ODA commitments and the effective implementation of the outcomes of international conferences such as the recent G-20 Summit were crucial in confronting the crisis in a way that addressed the needs of developing countries.

97. **Mr. Vojta** (Private Sector Steering Committee on Financing for Development), said that the private sector should accept a high degree of accountability for the crisis, but that all relevant members of the global community, including the private sector, international financial institutions and non-governmental organizations (NGOs) alike, needed to pull together to restore the world to the path of sustained development and poverty alleviation. He urged the United Nations to be actively involved in that process, which he hoped would be inclusive and consensual. The G-20 Summit's rejection of economic nationalism and protectionism was encouraging, and the trillions of dollars mobilized by the G-20 Governments had stabilized the financial system and laid the groundwork for recovery. He was also heartened by the international consensus that the way out of the crisis lay not in abandoning the global financial model and its existing institutions, but in reforming them.

98. It was certainly the case that a different approach to conditionalities was warranted, but enhanced representation for borrowing countries should be accompanied by commitments on their part to follow best practices and eliminate corruption. Both IMF and the World Bank would be well served by greater transparency. The private sector was committed to reforming itself and to adhering to a higher standard of conduct that would benefit all stakeholders.

99. **Mr. Solheim** (Norway) said that the only issue as pressing as the economic crisis was climate change, and that the two needed to be addressed in tandem by any recovery programme. Just as the crisis of the 1930s had produced a new kind of capitalism that was more oriented towards social welfare, the current crisis could only be overcome by a new capitalism that was both fairer and greener. International processes needed to be coordinated, and the United Nations was in a unique position to contribute to that end. No one could doubt the Secretary-General's personal commitment to tackling climate change. The existing United Nations development system was well-positioned to address climate change concerns, and while the Bretton Woods institutions were in need of reform, there was no need to abandon them. Success would depend on leadership not only from the United Nations but also from its Member States.

100. Financing was crucial in the areas of technology transfer, rainforest conservation and especially climate adaptation, which needed to be understood as an aspect of development. His country believed that climate adaptation should be financed through the carbon market, where the auctioning of a mere 2 per cent of carbon permits could yield tens of billions of dollars. Despite the crisis, his country, along with Sweden, had increased its development aid budget to a full 1 per cent of GDP, the highest percentage in the world. But new investment needed to be accompanied by an aggressive campaign against tax havens, through which as much as one quarter of the global economic system passed, draining the domestic tax bases of developing countries and making it more difficult to make the case to developed countries for providing additional aid.

101. **Mr. Rosenthal** (Guatemala) said that he wished to address five points. First, the crisis had spread to the rest of the world remarkably quickly, thus underscoring the high level of interdependence that had resulted from economic globalization, both in prosperous times and in times of hardship. Second, the current crisis had started in financial centres and spread outward to the periphery, not the other way around, as had been posited in recent decades. The implications of that were twofold: the impact of the crisis, including the slim chance of recovering the value of lost portfolios, was such precisely because it had originated in the most developed economy in the world. Furthermore, those responsible for the crisis, who provided technical assistance on economic policy, would hopefully do so with greater humility as a result.

102. Third, the magnitude of the crisis was such that it had spread to various fields of human endeavour and would thus require a combined effort on the part of international organizations and entities. Fourth, the

capacity of developing countries such as his own to adopt counter-cyclical policies was very limited due to the drop in tax revenues. Therefore, international cooperation should seek to facilitate greater scope for action in that regard. Fifth, the most alarming aspect of the current situation was that, as was always the case, the brunt of the crisis was borne by the poor, and for that reason, in all collective and individual responses to the crisis, the international community must never lose sight of the obligation to achieve the MDGs.

103. **Mr. Akcay** (Observer for Turkey) said that his delegation viewed better regulation and supervision of financial-sector rating agencies and tax havens as crucial for preventing the recurrence of crises like the current one. While Governments were employing ambitious stimulus packages as short-term means for coping with the immediate negative consequences, there was an expanding consensus on the urgency of global institutional reform, including stronger governance frameworks, higher transparency standards, better surveillance and more institutionalized crisis prevention and management processes in the longer term. Meanwhile, capital inflows to developing countries had become net outflows in 2009, harming development efforts and causing significant job losses and increased levels of poverty. To cope with those negative developments, he called for global cooperation to increase multilateral lending capacity.

104. Existing lending rules and procedures were pro-cyclical, with low and inflexible numerical limits unsuited to current needs, and multi-development banks used the rating agencies as an excuse to refuse to lend to developing countries. Unless those ways of doing business were questioned and the ratings issue resolved, the commitments being envisioned would not be met. Unprecedented times called for unprecedented actions. Since the 2009-2010 time frame was the most urgent window of opportunity for the effective utilization of lending support, the technical adaptation needed for flexibility in that lending should be undertaken as soon as possible.

105. **Mr. Magliano** (Observer for Italy) said that it was clear that a new paradigm would emerge from the current crisis and that it was the duty of the United Nations and the international community to define the values of that paradigm and place development at its centre. There was a good chance that the crisis would last longer in developing countries than in developed countries. The new tools being developed by the Bretton Woods institutions on the one hand and multilateral programmes to realize the MDGs on the other should both be streamlined and coordinated to meet the need for emergency recovery measures.

106. His country hoped to use its tenure as chair of the G8 to contribute to development in sub-Saharan Africa, climate change control, food and energy security, and a successful conclusion to the Doha Round. Inclusiveness, collective responsibility and accountability would be its guiding principles in that effort. It was important to understand that financial stability was a public good per se, and that proper regulation and adequate liquidity were essential in creating a sound, transparent and accountable financial architecture. The upcoming Conference on the World Financial and Economic Crisis would provide an excellent opportunity to make progress in those areas.

The meeting rose at 1.20 p.m.

United Nations E/2009/SR.6

Economic and Social Council

Provisional

1 July 2009

Original: English

Special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development

Provisional summary record of the 6th meeting
Held at Headquarters, New York, on Monday, 27 April 2009, at 3 p.m.

President: Ms. Sylvie Lucas ..... (Luxembourg)

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The meeting was called to order at 3.05 p.m.

Special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (*continued*) (E/2009/48*)

Addressing the impact of the global financial and economic crisis on development, including issues related to the international financial and monetary architecture and global governance structures (*continued*)

1. **Mr. Arce Catacora** (Plurinational State of Bolivia) said that the current crisis was not just financial, but a systemic structural crisis. The fiscal stimulus packages and regulations, though useful, did not address the underlying causes of the crisis. Anybody who thought that the world could return to business as usual once the crisis passed had not understood its magnitude. The current crisis was different from that of the 1930s and was a result of the capitalist system exceeding its capacity to adapt to the biodiversity of the planet. The current level of consumption was unsustainable and could not continue.

2. A new economic world order should be discussed, involving a substantial shift from the system in place. Instead of a focus on achieving the highest profits, which had been the principal cause of the current global crisis, the new system should have people's wellbeing, including that of the world's poorest, at its centre. The economy under the new order should be driven by complementarity and international cooperation rather than by competition for markets and natural resources. The system needed to recognize that development could not be without limits, but was in fact limited by the Earth's own capacity.

3. The World Bank and the International Monetary Fund (IMF) should explain their part in causing the global financial and economic crisis. Rather than holding a merely ideological discussion, there needed to be a clear enunciation of the mistakes that had been made. It was of great concern that IMF was to be authorized three times more capital, without any clear critique of its past policies. Those resources should instead be given to a transparent, democratic body in which developing countries were involved in policy decisions. Mistakes had been made, and the reformed international financial system should give a stronger voice to those that had been the most affected by the crisis.

4. Several measures could be taken immediately: markets should be opened up to developing countries, without conditionalities; and flexible credits should be granted for investments as well as for resolving balance of payments or liquidity issues, since investment in infrastructure and other employment-generating production sectors would provide the way out of the crisis.

5. **Mr. Katjavivi** (Namibia) said that he agreed with the assertion made at the previous meeting by the representative of Germany that the current economic crisis was a man-made one. As a mineral-producing country, Namibia was experiencing its full impact. Commodity prices, the cornerstone of his country's development financing, had been greatly affected and private investments, trade credits, export demand and tourist revenue were also reducing alarmingly. Climate change was compounding those adverse effects, particularly in developing countries, including Namibia, which was currently experiencing flooding. Concerted, collaborative and global action was needed to ensure that the gains of the previous decade were not reversed. The role of the United Nations in that respect could not be overemphasized.

6. A number of actions should be taken. More concessional resources should be made available to IMF and access to them eased; unnecessary conditionalities should be removed; investment in infrastructure at the national and regional levels should be increased through targeted stimulus packages. Resources available to regional development banks should be increased to ensure that they were able to support continued growth and development; trade financing should be made available, including through regional development banks. Countries should be given the policy space to respond to the crisis in accordance with their particular needs and circumstances, balancing macroeconomic stability with the need to stimulate domestic demand.

7. The ambitious Doha Development Round of trade negotiations should be concluded, and the Aid for Trade Initiative and technical assistance to developing countries — including middle-income countries — should be scaled up. The voice and participation of developing countries should be increased in the international financial and economic institutions; and

lastly, a comprehensive reform of the global regulatory and supervisory frameworks should be undertaken and a commitment made to regulate and supervise national financial and economic institutions.

8. **Mr. Sumi** (Japan) welcomed the agreement at the previous meeting that all donors should honour their official development assistance (ODA) commitments, since nobody wanted to jeopardize the achievement of the Millennium Development Goals. In spite of its own financial difficulties, Japan had committed to continue increasing its ODA and had recently confirmed its pledge to double ODA for Africa by 2012. However, in order to achieve the effective use of financing for development, there needed to be concerted action not just by donors, but also by developing countries, emerging economies, international organizations, private foundations, the business sector and civil society. In order to bring the world economy back on track, domestic economic situations also needed to be addressed. In 2008, Japan had implemented a $750 billion stimulus package, which was to be supplemented by an additional $570 billion package.

9. One of the principal reasons for the economic crisis was that private financial institutions had been given too much freedom, and some had become interested only in short-term gains and their own salaries. The financial sector, including hedge funds and credit rating agencies, should therefore be subject to supervision and international regulations. The international financial institutions and multilateral development banks needed to be reformed. Since governance reform had already been initiated by the institutions themselves, that reform should be implemented and its schedule brought forward.

10. Existing financial mechanisms needed to be strengthened. Japan had pledged $100 billion to IMF in November 2008 and had signed the lending agreement in February. His country was also working to treble the resources of the Asian Development Bank. As a result of the lessons learned from the experiences of the Asian economic crisis in the late 1990s, Asian countries, including Japan, had agreed to increase the availability of emergency liquidity by strengthening the Chiang Mai Initiative. Japan welcomed the agreement that all countries should refrain from raising new barriers to investment or trade in goods and services, which showed that lessons had been learned from the experiences of the 1930s. Lastly, Japan, together with other Member States, would continue to advocate the concept of human security in order to serve the basic needs of humanity.

11. **Mr. Davide** (Philippines) said that the more objective information key policymakers had about the crisis, the more rational, coherent and coordinated the global response would be. However, it would be helpful to be mindful that crises were fundamentally unpredictable and that sounding false alarms and repeated unspecified warnings risked fatigue and inaction. The crisis was attracting views from a variety of perspectives, and it was important to ascertain who the key policymakers were that should be shaping and implementing crucial policy decisions. It would appear from recent statements, including that of the United States Secretary of the Treasury, that the role of the United Nations in resolving the crisis was not being widely discussed.

12. The note by the Secretary-General (E/2009/48*) encapsulated the conclusions of all the United Nations dialogues and other discussions on the world financial and economic crisis and laid the foundation for the argument that global and coordinated action should be taken. Developing countries were once again being put in the position of having to pay for something over which they had little control and for which they were not responsible. The United Nations must act on the Secretary-General's advice; since inaction would mean disaster.

13. The world was nearing an understanding of the causes and implications of the crisis, and individual countries and regional organizations were taking action to alleviate the problems. However, those actions aimed principally to restrict the negative effects of the global recession and restore confidence in the economic system. The more difficult part was still to come — ensuring that it did not happen again. The United Nations should be at the centre of that endeavour.

14. It was becoming increasingly clear that there were many layers of impact affecting different countries in different ways. Some countries were better placed to weather the storm than others. In general, Asia was seen to have benefited from the difficult experience of the recent Asian financial crisis, and the President of the Asian Development Bank was confident that the region would remain a dynamic centre of the global economy and crucial to its recovery. The Asian Development Bank's Strategy

2020 policies were one example of how future policy should ensure inclusive growth, environmentally sustainable development and closer regional cooperation and integration. The Association of Southeast Asian Nations (ASEAN) was well on the way to achieving that closer cooperation and integration by 2015. The Asia-Pacific Economic Cooperation Council (APEC) was also encouraging regional discussions on lowering economic barriers.

15. Fundamental changes were needed in the management of global systems, but resistance to change was difficult to overcome. Momentum was currently in favour of keeping the Bretton Woods institutions intact, albeit with calls for accelerated reform and changes that had already been under discussion for many years. However, IMF should take note of the warning printed in the *International Herald Tribune* that the Fund should not make the same mistakes that it had during the Asian crisis of the late 1990s.

16. The World Bank and IMF might consider following the initiative of the Philippines on debt for equity in Millennium Development Goal projects. They might also consider a moratorium on the payment of interest and an amortization of the principal amount for heavily indebted countries. Those two options would help heavily indebted poor countries and ensure that their development efforts were not adversely affected by the crisis. The world should not have to suffer further before a decision could be made to bring about equitable change.

17. **Mr. Shin** Boo-nam (Republic of Korea) said that, given the increasingly interconnected nature of the global economy, concerted global cooperation was needed in order to address the economic crisis that was unprecedented in both scale and intensity. His country welcomed the progress that had been made at the Group of Twenty (G-20) Summit to strengthen financial regulations, coordinate macroeconomic policies and reject protectionism; however, the views of all countries should be reflected.

18. The role of the United Nations was to ensure that the crisis did not lead to a fully fledged human development crisis. Therefore, the whole United Nations system should work even more closely together to assess the impact of the crisis on development, create policy options and mobilize resources to mitigate that impact. Progress had been made in reforming the system, but the process should be accelerated. To ensure more effective cooperation with the Bretton Woods institutions, the option of strengthening existing mechanisms, such as the Chief Executives Board for Coordination, should also be actively pursued.

19. The system of global economic governance needed to better reflect the changed realities of the 21st century. His country supported the Secretary-General's suggestion to conduct further studies and discussions of a comprehensive reform of the global system. The crisis could perhaps be seen as a blessing in disguise: the Asian economic crisis in 1997 had given the Republic of Korea the opportunity to carry out comprehensive restructuring of its corporate and financial sectors. The international community should not waste the opportunity to pursue crucial initiatives and reform that would not otherwise have been possible due to a lack of political momentum.

20. **Mr. Alim** (Observer for Bangladesh), speaking on behalf of the least developed countries (LDCs), said that developing countries, and LDCs in particular, were being disproportionately affected by the global recession. Exports were falling, the outflow of migration decreasing, the influx of returnees increasing, and private capital flows reversing. There was a fear that ODA would decelerate, and debt servicing obligations were rising significantly. The fiscal space of LDCs was narrow and, in many instances, eroding. The social and human impact of the crisis would be unimaginably high and long-lasting. A coordinated response was necessary, and LDCs needed extraordinary support from the international community.

21. The early conclusion of the Doha Round of trade negotiations, with the full implementation of its development mandate, would provide an important stimulus package for developing countries. World Trade Organization member States should implement duty- and quota-free market access for LDCs and special modalities for services. Capacity-building and financing for trade were critically important. The G-20 trade finance commitment of $250 billion should be implemented as soon as possible, and the Aid for Trade Initiative and the Enhanced Integrated Framework for Least Developed Countries should be adequately and predictably resourced.

22. It was encouraging to note that some member countries of the Organization for Economic Cooperation and Development (OECD) had reaffirmed at the previous meeting their intention to honour their ODA commitments. All OECD countries should implement their commitment of 0.7 per cent of gross national income to developing countries and 0.2 per cent to LDCs by 2010. Even if ODA was maintained in percentage terms, there was concern that, since the gross domestic product (GDP) of industrialized countries was projected to fall by 3.8 per cent in 2009, the actual figure would fall.

23. The issue of debt relief had not received adequate attention in recent discussions. However, the crisis would mean additional debt burden for LDCs. Debt-servicing obligations were diverting a large proportion of their public finances from development activities. The outstanding debt of all LDCs should be written off as part of the global stimulus package. The Debt Sustainability Framework in Low-Income Countries should be revised, and the World Bank's Country Policy and Institutional Assessment should be developed in a transparent and inclusive manner, taking into account country-specific circumstances. Access to affordable credit should also be ensured.

24. National policy space, ownership and leadership were critically important. Conditionality had high deflationary effects. The overall financing framework of the Bretton Woods institutions needed to be reformed. The allocation of resources under soft loan windows for LDCs should be substantially increased and conditionalities removed. The United Nations should remain at the centre of global norm-setting and rule-making, including in the areas of economics and finance. LDCs were hugely underrepresented in the Bretton Woods institutions, so there should be an urgent, significant redistribution of voting power.

25. The international community had dealt with many crises, though not of the current magnitude, but the pervasive and increasing global imbalances, inequalities and asymmetries had never been addressed. If the solution to the current crisis was to be long-lasting, global growth sustained, development sustainable and social progress effective, those systemic imbalances had to be addressed.

26. **Mr. McNee** (Canada) said that the estimates of more than 50 million people at risk of being trapped in extreme poverty in 2009 contained in the *Global Monitoring Report* gave a sobering context to the current discussions. The challenges ahead were made more severe by the fact that the economic crisis had followed on the heels of a global food crisis and volatile energy prices that had drawn down the fiscal space in many countries. Restoring global growth to a sustainable, balanced path was the most significant thing that could be done collectively to help mitigate the impact of the crisis on the developing world. The combined $1.1 trillion commitment made by the G-20 leaders was a strong response and would help to restore credit, encourage growth and maintain employment.

27. While Canada had taken significant actions to bolster its own economy, it was also working with partners around the world to bolster the international financial system and support trade flows. It had reaffirmed its commitment to double international assistance by 2011 and was on track to meet its commitment to double assistance to Africa by 2009. The international financial institutions should be supported in their efforts to supply the resources and tools required to address the crisis and support growth in emerging markets and developing countries.

28. Canada would continue to work on fundamental governance reforms of those institutions. In addition, his country was helping to protect the gains of the Americas region: the Canadian Prime Minister had recently announced that Canada would work towards temporarily increasing the lending capacity of the Inter-American Development Bank by up to $4 billion in response to the urgent capital needs in the region.

29. Canada joined the calls to resist protectionism and work towards a successful, ambitious and balanced conclusion to the Doha Development Round; further trade liberalization would build confidence and help stimulate recovery. Another essential element of recovery was closing the trade finance gap. His country was committed to supporting trade finance both through domestic channels and global partnerships, and had provided $200 million to the International Finance Corporation's Global Trade Liquidity Program.

30. **Mr. Aass** (World Bank) said that the Development Committee communiqué adopted on 26 April had drawn attention to the rapid response of the World Bank and International Monetary Fund (IMF) to the current crisis. Unlike some other institutions, the World Bank had not insisted on a capital increase. However, if recovery was slow, it

would not be possible to continue extending loans at the same level. There was therefore an increasing readiness to consider the early capital strengthening of the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC) and the International Development Association (IDA).

31. He had come to believe that there was a strong need for counter-cyclical measures. The current crisis was characterized by a lack of external financing. The World Bank's long-term, investment-oriented lending therefore had a particular part to play. There was a case for increasing the portion of financing that came from the multilateral banks as opposed to private flows, and a capital increase would help achieve that goal.

32. Some statements had referred to the need for self-criticism; that was a valid point, but applied to all parties. The World Bank's approach had in fact been a balanced one. The international financial institutions had not caused the current crisis. Rather, they had argued for a well-regulated, balanced economy with a strong public and private sector. The Bretton Woods institutions and the United Nations were complementary, and were not in competition.

33. The World Bank should indeed continue working to become more representative A capital increase for the World Bank would give developing countries greater responsibility for its financing. The first phase of reforms had added a seat on the Executive Board for sub-Saharan Africa, and had greatly strengthened ownership of the Bank on the part of borrowing countries. The second phase as set forth in the communiqué adopted by the Development Committee would involve all shareholders in a transparent, consultative and inclusive process.

34. At the same time, the contention that the World Bank was currently unrepresentative was blatantly incorrect. All Member States were represented at the World Bank, something that could not be said of some United Nations bodies. Moreover, a number of the participants that had described the World Bank as unrepresentative were members of the Group of Twenty, which was itself not representative.

35. **Mr. Kleib** (Indonesia) said that the plight of developing countries had been aggravated by the drying up of liquidity, investment and capital. It was essential to establish a global expenditure fund, which would provide resources for development. The social safety net in developing countries should be strengthened in order to promote stability and ensure a life of dignity for the disadvantaged. United Nations programmes and agencies could contribute to the process through counter-cyclical measures. It was therefore vitally important to recapitalize those programmes and agencies while reducing administration costs. The international community should address the use of financial centres as tax havens and as safe havens for illicit funds. It should also shun protectionist policies in the areas of trade, investment and the movement of labour; many developing countries relied on export earnings and remittances. The conclusion of the Doha Round would be central in that regard.

36. The international financial and monetary architecture was in critical need of reform and consolidation. Developing and emerging countries had a right to participate in that process, and deserved greater representation at the World Bank and IMF. The latter in particular had often imposed unrealistic conditionalities on developing countries, resulting in serious and irreparable social and political trauma. The international financial institutions needed to improve their ability to listen to developing countries.

37. The United Nations, which had established the Bretton Woods institutions and the multilateral trading system, should also play an active part in the process. The relationship between the United Nations and the Bretton Woods institutions should be realigned, and Member States given better opportunities to coordinate with international financial institutions. One possibility would be a biennial information exchange session between organizations. Lastly, Indonesia welcomed the upcoming Conference on the World Financial and Economic Crisis and its Impact on Development, which should be seen as part of a wide-ranging process and should complement the work of other forums such as the Group of Twenty.

38. **Mr. Escalona Ojeda** (Bolivarian Republic of Venezuela) said that he regretted the absence of self-criticism on the part of the Bretton Woods institutions. The proposed action failed to address the root of the problem, namely the conservative policies enacted by those institutions over several decades, which had led to a humanitarian catastrophe. That approach stemmed from a refusal to share power and treated people as statistics, rather than as individuals with names. The Bretton Woods institutions' monopoly

on credit must be replaced by a decentralized system with increased participation on the part of regional organizations. The countries of the South needed credit and liquidity in order to enact counter-cyclical policies. Substantial debt cancellation would also be needed: it made no sense to discuss development aid if recipient States could not afford to repay the loans.

39. A United Nations fund should be established in order to address the areas of health, education and the environment. The fund should not be dominated by financial institutions that had shown neither impartiality nor awareness of the human dimension. Short-term action was urgently required. The United Nations high-level Conference in June 2009 would allow Member States to negotiate common solutions, instead of accepting unilateral ones as had previously been the case.

40. **Mr. Álvarez** (Uruguay) said that, in responding to the crisis, the international community should seek to correct distortions in the international trading system. The World Trade Organization (WTO) should, for instance, press for the successful conclusion of the Doha Round and ensure access to open markets. It now appeared that economic recovery would not take place even in the medium term, and that the macroeconomic initiatives undertaken thus far would be insufficient. Developing States would need additional resources. His country therefore welcomed recent commitments to increase financial flows, which were necessary for the implementation of counter-cyclical policies.

41. The recent report of the International Monetary Fund (World Economic Outlook: Crisis and Recovery) indicated that Latin America and the Caribbean, which depended on exports and external capital flows, had been affected by the falling price of basic products. However, his delegation was not aware of any response to that problem. He therefore wished to know in greater detail what response the international financial institutions envisaged in order to support the efforts of medium-income countries, and what new lines of credit were to be made available by IMF. His country believed that the Bretton Woods institutions should play a central role in the recovery process, and that the architecture of the international financial and economic system should be reviewed in order to be better able to meet current challenges.

42. **Mr. Pursey** (International Labour Organization) said that responses to the crisis should be interconnected. Concerns regarding employment affected all countries around the world, and required outward-looking international cooperation rather than inward-looking protectionism. The International Labour Organization (ILO) was actively engaged in the United Nations Chief Executives Board process, which was aimed at ensuring a strong system-wide response. The process would help ILO to identify the necessary synergies to cut carbon dioxide emissions, create jobs and reduce poverty. The Green New Deal should address jobs as well as the environment. ILO was constantly revising upwards its estimates of unemployment and poverty. The labour market would recover more slowly than stock prices, and poverty could easily become entrenched.

43. Social protection and job creation must be given high priority in order to counter the recession and prevent another. ILO had extensive expertise in that area, and looked forward to working with other international agencies and financial institutions to effectively manage the new voluntary financing framework and its rapid social response fund. There were practical ways to ensure a decent basic income for families in the developing world without exceeding the budget of least developed countries. The forthcoming annual ILO conference would focus on crisis response and the formulation of a global jobs pact in order to shape a more stable, inclusive and sustainable globalization for the future.

44. **Mr. Khan** (Pakistan) said that, in a globalized world, all difficulties whatever their origin should be addressed through international cooperation. The United Nations had often been able to provide a correct diagnosis, but had seldom been able to achieve the required results. The Group of Twenty Summit had rejected protectionism, yet many of the States concerned continued to enact protectionist measures. The United Nations, and in particular the Economic and Social Council, should now help to set a normative agenda and formulate a global coordinated response. The legitimacy of that response should be based not on corporate notions of purchasing power, but rather on needs and equity.

45. It was important to build bridges between international institutions, drawing on the strength of each while respecting their mandate and competence. He hoped that the Conference in June would do so, and prove to be a second Bretton Woods Conference. The issue of Special Drawing Rights illustrated the need for

coordination between the United Nations and the Bretton Woods institutions. The United Nations had for many years pressed for new Special Drawing Rights to be issued. Only a few weeks before, the Economic and Social Council had heard from a representative of IMF that such action did not deserve serious consideration. However, the Group of Twenty had now authorized IMF to issue special drawing bonds. He wished to know why the approach of IMF had changed over such a short period.

46. As a low-income developing country, Pakistan believed that the reform of the concessional lending framework should be expedited and deadlines agreed for a decision. It was also vital that trade should continue to flow, and that voices not represented within the Group of Twenty should be heard.

47. **Ms. Gallardo Hernández** (Observer for El Salvador) said that the economic predicament of low- and medium-income countries was compounded by falling demand for export goods, limited access to international credit and the decline of tourism. She therefore welcomed the initiative of the World Bank to formulate practical proposals which would tackle the issue of decreased remittances. El Salvador was undergoing a post-conflict transition, and there was a risk that any decrease in social investment could lead to unrest. Moreover, since the financial crisis coincided with the sharp degradation of the environment, any response should also take into account climate change.

48. Several delegations had rightly called on donor States to fulfil their commitments with regard to development aid, including through cooperation with low- and middle-income countries. Developing States had called for a reform of IMF and the World Bank to adapt those institutions to the post-crisis financial system based on renewed multilateralism and a reformed and strengthened United Nations. The international financial institutions and the United Nations should work together towards that goal.

49. Her delegation believed that the current follow-up mechanism of the Monterrey Consensus should also be reformed in order to set up a new mechanism to follow up the Monterrey Consensus, the Doha Conference and the measures to be adopted at the forthcoming Conference on the World Financial and Economic Crisis. The Secretary-General had made valuable comments towards that aim. She supported the proposal made by the Rio Group in that regard and hoped that the idea would be treated more fully at the Council's forthcoming substantive session.

50. **Mr. González Segura** (Observer for Mexico), speaking on behalf of the Rio Group, said that the international community should ensure that developing countries had additional financial resources to face the crisis. One possibility consisted in carrying out counter-cyclical measures while granting the States concerned a greater policy space in design and implementation. It was also vital to ensure that measures taken by developed States did not affect the developing world in areas such as trade, employment, the environment and the availability of capital for investment.

51. The Rio Group was concerned that, according to the calculations of the World Bank, developing States would be faced with a deficit of between $270 billion and $700 billion. Action should be taken to give developing States access to sustainable external flows, whether in the form of credit or investment, without imposing conditions restricting their use. The process should be streamlined and adapted to the needs of recipient countries. It was more important than ever to consolidate the development efforts made by medium-income States and at the same time consider the development needs of low-income and least developed countries.

52. The Group was concerned about the potential impact on member countries of a likely rise in protectionist pressures and therefore stressed that the Doha Round must be satisfactorily concluded without delay, taking fully into account the interests of developing countries and eliminating trade-distorting practices, especially in the agricultural sector. With regard to systemic issues, the Group had consistently reiterated the need for broad international discussion, with the full participation of developing countries, with a view to reforming the international economic and financial system in support of development and ensuring adequate oversight and regulation of financial markets at both the international and national level. The United Nations, and in particular the General Assembly, must play a central role in that reform process, in order to guarantee, inter alia, the coordination, coherence, legitimacy and representativeness of the efforts made.

53. Holding the Conference on the World Financial and Economic Crisis and Its Impact on Development

was a priority, since it would allow heads of State and Government, and other representatives at the highest level, to analyse the causes of the current crisis, discuss actions to reduce its impact, particularly on developing countries, consider how to avoid future crises, and take forward the required reforms of the international economic and financial system. Based on an open, transparent and inclusive preparation process, the Conference should also promote concrete steps to mitigate the crisis and ensure appropriate, coherent follow-up to the commitments assumed.

54. **Mr. Zainuddin** (Malaysia), noting that the full human impact of the financial and economic crisis had yet to be seen and that the negative interaction between the economic downturn and financial stability was continuing to generate fresh losses for financial institutions, said his delegation was concerned that many of the biggest Wall Street financial institutions were continuing to compensate their employees, in particular their executives, at the same levels as before the crisis began. The root cause of the crisis, namely corporate greed, had therefore yet to be addressed. The blame could, however, not be laid at the door of just one country; the international community needed to work together to resolve a whole raft of issues that were contributing to the problem.

55. That would involve, inter alia, determining the role that Governments should play when markets operated contrary to social interests, establishing a new social contract between executives and society at large to rectify the current disconnect between executive compensation and performance, and restoring the ties between the financial sector and the real economy. Given the leading economic role played by the United States of America, it was also critical that the relevant authorities in that country in particular addressed the moral aspects of the crisis, including moral hazard.

56. While the communiqué issued by the Group of Twenty at the recent London Summit represented a first step towards a global approach in resolving the crisis, it did not, however, necessarily address all the links between the crisis and development. The main obstacle to full implementation of the agreements set out in the communiqué was a lack of public support, which further highlighted the importance of addressing the moral dimension of the crisis. Moreover, the headline figure of $1 trillion mentioned in the communiqué did not necessarily consist entirely of additional resources and, although the communiqué called on the United Nations and other global institutions to establish an effective mechanism to monitor the impact of the crisis, it contained no clear description of any other follow-up measures. Lastly, some of the proposed measures, such as those related to regulation, could take years to be fully implemented and would therefore require momentum beyond the span of the current crisis.

57. The Malaysian Government had announced two stimulus packages, totalling close to $20 billion, to address the crisis by increasing social protection and generating economic growth. It was also restructuring its economy with a focus on high value-added activities, in order to position itself to take advantage of any future upturn.

58. **Mr. Benfreha** (Algeria), noting the importance of the current discussions in the context of preparations for the Conference on the World Financial and Economic Crisis, said that although the action taken by the major industrialized countries since the start of the crisis to restore confidence in the financial markets and recapitalize failing financial institutions should certainly be maintained, it was not sufficient in itself. Broader reforms were needed to improve global economic governance and thereby restore confidence in the global financial system.

59. One of the most urgent challenges for the international community was to minimize the spread of the financial crisis, particularly in developing countries, so as to ensure that the economic gains achieved in recent years, particularly in Africa, were not jeopardized. It was especially urgent to assist the most vulnerable countries, which continued to rely on ODA to meet the vital needs of their populations and establish the basic infrastructures required for achieving the Millennium Development Goals by 2015.

60. A timely and development-oriented conclusion of the Doha Round was also urgently required, since the removal of trade barriers, especially for agricultural products, would help to limit the impact of the crisis on the export earnings of developing countries. Furthermore, foreign direct investment should not be withdrawn from developing countries; nor should the crisis be used as a pretext for industrialized countries to renege on their commitments to reduce greenhouse gas emissions under the Kyoto Protocol.

61. It was important to develop a new multilateralism. A genuinely inclusive response was

needed to achieve global economic stability. In that connection, the process of constructing a new international financial and monetary architecture required the participation of a broader grouping than the Group of Twenty in order to be adequately representative. The United Nations, along with the Bretton Woods institutions, had a key role to play in setting the strategic objectives for such reform. The World Trade Organization (WTO) also needed to be more open to the concerns of developing countries and facilitate their accession to membership. International oversight should be strengthened by means of multilateral mechanisms, with a particular focus on those countries whose financial markets had the biggest global impact, and should also take into account economic indicators such as unemployment and inflation.

62. **Ms. Sabah** (Morocco), noting that the deterioration of the current economic situation could lead to a dramatic increase in the number of people suffering hunger and poverty, said that action should be taken on a number of fronts to prevent the financial and economic crisis from becoming a generalized human tragedy. In that connection, it was important to explore the financing of measures to blunt the economic downturn, which would require timely recovery programmes on the part of developed countries that did not impose short- and longer-term costs on developing countries. Intensified international cooperation was also needed to generate the required international resources to avoid a self-reinforcing downward spiral. Furthermore, market oversight and regulatory mechanisms should be strengthened.

63. Morocco's economy would be affected by the international economic climate: global demand for Moroccan exports, remittances from Moroccans resident abroad and foreign direct investment flows into the country were all expected to fall in 2009. Her Government had, however, taken a number of measures to absorb the impact of external shocks, including the recent implementation of an anti-crisis plan in support of the Moroccan economy.

64. While the Doha Declaration on Financing for Development expressed a firm resolve to ensure that ongoing efforts to improve the operation of the multilateral trading system better responded to the needs and interests of all developing countries, in particular the LDCs, that resolve must be translated into actions implementing concrete decisions and policies. It was to be hoped that the Conference on the World Financial and Economic Crisis would represent the start of such a process, as well as laying the foundations for a new system of socio-economic governance over the longer term.

65. **Ms. Williams** (Observer for Jamaica) said the current economic and financial crisis, in conjunction with the ongoing struggle to tackle climate change and the recent food and fuel crises, constituted a development emergency for developing countries. For Jamaica and other countries in the Caribbean subregion, the cumulative impact of those challenges bordered on calamitous. As a small island developing State, with heightened vulnerability to extreme weather events and external economic shocks, her country was encountering major difficulties in adjusting to the crisis.

66. Recalling that the representative of Barbados, speaking on behalf of the Caribbean Community (CARICOM), had already drawn attention to the impact of the crisis on the region in terms of tourism and foreign direct investment, her delegation reiterated his call for a re-evaluation of the criteria used to graduate developing countries from access to concessionary financing, since middle-income countries — which were often heavily indebted and had high concentrations of poverty — needed continued access to such financing in their efforts to mitigate the impact of the crisis. Jamaica also supported calls for a comprehensive review of the treatment of debt, both corporate and sovereign.

67. Enhanced multilateral cooperation on tax matters was also needed to ensure that the concerns of developing countries, especially those with small, vulnerable economies, were reflected in the international community's discussions and decisions. Her delegation therefore supported calls for the United Nations Committee of Experts on International Cooperation in Tax Matters to be converted into a full intergovernmental subsidiary body to the Economic and Social Council.

68. **Mr. Frommelt** (Liechtenstein), said that, as a closely integrated economy, his country supported the international community's efforts to stabilize the world economic and financial system. It took very seriously its international commitments, including those contained in the Monterrey Consensus and the Doha Declaration, having allocated 0.6 per cent of its GDP to

ODA in 2008. It also had a proven track record in implementing international commitments in areas affecting its financial services.

69. With regard to the need for enhanced global governance, it was vital that any new representative body created to assume leadership for global financial and economic stability should be inclusive and open to participation by the entire membership; otherwise it would not provide a genuine alternative to existing institutions. The same requirement held true for the proposed Financing for Development Committee mentioned in the note by the Secretary-General (E/2009/48*).

70. **Mr. Fomba** (Observer for Mali), speaking on behalf of the Group of Landlocked Developing Countries, said that those countries, already insufficiently integrated into the international trading system, would become further isolated as a consequence of the projected fall in trade volume referred to in the note by the Secretary-General (E/2009/48*). Vigorous action was therefore urgently needed in the areas of aid for trade and trade facilitation in order to support the landlocked developing countries' ongoing capacity to fund the social and environmental sectors that were of vital importance for achieving the Millennium Development Goals.

71. The most vulnerable developing countries would also be most severely affected by the anticipated financing shortfall mentioned in the note by the Secretary-General and would need much more support to finance their crisis mitigation strategies and development programmes. He therefore called on the international community to implement without delay the commitments assumed at the most recent Group of Twenty Summit and other international conferences, in particular those contained in the Almaty Programme of Action and the outcome document of its midterm review.

72. **Ms. Fernández Bulnes** (Observer for Spain), recalling that the least developed countries were worst affected by the current international financial crisis, said that her country had undertaken to maintain its ODA levels and was seeking to meet the target of 0.7 per cent of GDP. Although the United Nations had demonstrated its capacity to act in a coherent manner, for example, in establishing the High-Level Task Force on the Global Food Security Crisis, greater system-wide coherence and synergy was still needed, particularly at times of crisis.

73. In 2006, Spain had established an ambitious agreement with the United Nations Development Programme (UNDP) to support policies and programmes with a significant and quantifiable impact in terms of fostering progress towards the Millennium Development Goals. In that regard, her Government also considered it essential to improve the effectiveness and efficiency of development assistance, as envisaged in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. Lastly, as announced at the High-Level Meeting on Food Security for All, held in Madrid in January 2009, Spain had offered a total of 1 billion euros over five years to address the food crisis, which was exacerbated by the current financial crisis.

74. **Mr. Di-Aping** (Sudan), speaking on behalf of the Group of 77 and China, said that, while the Group certainly applauded the World Bank proposal to create a vulnerability fund, it also wished to voice some criticisms, since history had shown that it was only through criticism that improvements could be achieved. In particular, it wished to point out that although, according to the Executive Director of the World Bank, the Bank had not insisted on a capital increase, in fact many developed countries were refusing to provide it with enough capital, even though it had a key role to play in addressing the current crisis.

75. Furthermore, although almost all Member States were represented at the World Bank, he questioned whether it was really representative, since the African countries together accounted for only 2.3 per cent of voting shares. In that connection, his delegation was concerned that only a small percentage of the Group of Twenty's $1.1 trillion programme of support would be made available to the African countries, if, as usual, new borrowing was made available on the basis of shareholdings.

76. Fresh consideration also needed to be given to the issue of debt, leading to either renegotiation or — in the case of heavily indebted poor countries — cancellation. The United Nations also should consider the important and complex issue of taxation and whether that led to the establishment of an international tax organization or some other solution.

Strengthening the intergovernmental inclusive process to carry out the financing for development follow-up

77. **The President**, recalling that the theme for the second informal interactive dialogue was directly mandated by the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, said that the Secretary-General, in his note (E/2009/48*), had suggested that a more effective and robust mechanism for financing for development follow-up might have at its centre a representative, multi-stakeholder Financing for Development Committee.

78. It was particularly important to frame a strengthened and more effective inclusive process to such follow-up since, while the agreed outcomes of both the Monterrey and Doha Conferences provided a benchmark to mobilize policy efforts in all aspects of the broad financing for development agenda, and there had been many important achievements since those two Conferences, developing countries continued to face huge challenges. Measures to resolve the current crisis would not on their own alleviate the conditions of desperate poverty in which a large segment of humanity lived.

79. In that connection, the current meeting provided an initial opportunity to discuss various ideas and proposals which would be followed up in informal consultations with the relevant stakeholders, with a view to the adoption of appropriate recommendations during the 2009 substantive session of the Economic and Social Council, for action by the General Assembly at its sixty-fourth session.

80. **Mr. Kaiser** (Observer for the Czech Republic), speaking on behalf of the European Union; the candidate countries Croatiá, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Montenegro; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that the 2002 Monterrey Consensus had been a milestone in the establishment of a global partnership for development. Since then, the international situation had continued to evolve and an effective intergovernmental follow-up process was essential for the implementation of the Consensus and continued engagement to address the full range of financing for development challenges.

81. Experience with the financing for development follow-up process as set up in Monterrey had been mixed. There had soon been reflection on possible improvements, and in Doha Member States had seized the opportunity to resume that discussion. The outcome was contained in paragraph 89 of the Doha Declaration on Financing for Development. The European Union attached great importance to addressing the challenges of financing for development in a spirit of global partnership and was willing to play an active and constructive role in the joint search for a strengthened and more effective follow-up process.

82. The European Union had reviewed the proposals of both the Secretary-General and the Rio Group, and there already seemed to be a broad consensus on quite a few general observations. The main forums of the existing follow-up mechanism, the spring meeting of the Council and the dialogue of the General Assembly on financing for development, could and should be improved. Overlaps should be avoided and better use made of existing data from major institutional stakeholders and their participation. Those improvements could help make their discussions and interactions more substantial and lively.

83. The European Union agreed with the criteria for a strengthened follow-up process as summarized in the note by the Secretary-General (E/2009/48*), including maintaining the multi-stakeholder nature of financing for development. The six pillars of financing for development covered a very wide array of topics and inputs from actors from different backgrounds were needed. More time should be allotted to follow-up, and meetings should result in concrete policy recommendations.

84. **Mr. Gálvez** (Observer for Chile) said that the action taken with regard to financing for development would be a critical element in tackling the global financial and economic crisis. A single, effective follow-up mechanism should be established for financing for development and responding to the financial crisis in the spirit of Monterrey, that is, including all relevant actors in the world economy and with an integrated vision of the problems faced. That would help to address one aspect of the crisis — the lack of a coordinated and multilateral approach to economic issues. There had been a reference to the need to have bridges, which he understood to mean bridges between the Bretton Woods institutions, the United Nations and other relevant institutional actors.

85. The Secretary-General had referred in his note (E/2009/48*) to enhanced global governance and cooperation as a critical ingredient in crisis response. Proposals might vary, but the path was correct — to improve and transform what was already available. A new phase of follow-up was needed in order to deal with the complexity, gravity and urgency of the global economic crisis. The Secretary-General's proposal, and, to some extent, the Rio Group's proposal, would make it possible to improve global economic governance significantly, respecting the mandates of each institution but creating a mechanism that dealt with the issues at the intergovernmental level, so that all the institutions represented would feel ownership of the results.

86. A mechanism consisting exclusively of United Nations representatives would not be sufficient, as there was a need for the technical support of intergovernmental representatives from IMF, the World Bank and WTO. An enhanced system of international economic governance should bring representatives together at least once or twice a year, with a strengthened secretariat, so that it could effectively function as a follow-up mechanism for financing for development.

87. **Mr. Poretti** (Observer for Argentina) said that the current crisis had a general impact on the world economy, but the developing countries, which had not caused the crisis, were experiencing the harshest consequences in their national accounts and in everyday life. It was important to take an active part in the negotiations, evaluate economic alternatives and avoid ideological bias, while using all possible forums for discussion. The State clearly had an important role to play and should provide effective and appropriate market regulation, while avoiding protectionist reaction and the distorting use of subsidies.

88. The world was coming to a turning point in its idea of how to achieve economic welfare and social inclusion. A structural reform of the international financial institutions should ensure that the development dimension was their main objective. One key measure would be to increase the participation and representation of developing countries in those institutions so that their societies were adequately represented in the international processes of economic and financial decision-making. The United Nations had an important role to play with regard to the follow-up mechanism for financing for development. His delegation therefore supported, among other tools, the follow-up mechanism whose mandate had been established in Monterrey and confirmed in the Doha Declaration.

89. **Mr. Igenbayev** (Kazakhstan) stressed the special needs of the landlocked developing countries in the context of the financial and economic crisis. The current crisis had helped to raise awareness sufficiently to have a discussion on how to redesign the international financial system and on reforming the Bretton Woods institutions. The reform should focus on the realities of the modern global economy, which was increasingly and irretrievably interrelated at all levels, and on building a more effective international financial architecture that could ensure that capital flows were both strong and sustainable. More effective cooperation and coordination of the major economies' macroeconomic policies was needed in the interests of global stability and the growth of well-being around the world.

90. The international financial institutions should reorient their activities not only to long-term funding of structural reform but also to crisis prevention in order to ensure that the world could cope with future crises. An international system regulating financial and trade relations should prevent the emergence of serious disproportions in capital flows, which could cause an excessive accumulation of resources in some sectors and even countries. All Governments should be committed to ensuring that the global financial architecture would work in the interests of the global community as a whole.

91. **Mr. Edrees** (Observer for Egypt) said that his country had long attached great importance to the current high-level meeting as it was one of the few occasions when the United Nations interacted with the Bretton Woods institutions, WTO and UNCTAD at the same time. It was also an integral part of the intergovernmental follow-up of the financing for development process, and the current exceptional circumstances gave the meeting added significance.

92. It was important to conduct a critical examination of the origins of the crisis and its root causes in order to avoid a recurrence. The failure to predict the crisis reflected a clear failure of the multilateral surveillance regime. An adequate and strengthened early warning mechanism should ensure more vigorous coordination between different forums. The crisis had affected

developing countries mainly through the overall downturn in global economic growth, which had led to a severe reduction in trade and investment flows and access to credit, as well as lower remittances and shrinking tourism. Developing countries were also being impacted by the stimulus packages of developed countries, which had given rise to new forms of protectionism, especially financial protectionism.

93. The crisis was beginning to take on a social and human perspective owing to surging unemployment and even the forecast of a new global crisis of unemployment. Member States had to look at new and creative solutions, such as the idea for a global job pact. Immediate and collaborative action was needed to mitigate the impact of the crisis on development. A major part of that action would be to meet the current commitments for financing for developing countries in full and to provide new and additional resources, conditionality free, in a more predictable and stable manner.

94. Those resources could be provided in a number of ways, including by meeting the ODA target of 0.7 percent of gross national income; increasing core funding for United Nations operational activities; allocating percentages of stimulus package funds as additional assistance; setting up new and more flexible credit facilities, including trade finance agreements; and more vigorously pursuing new and innovative sources of financing as a substitute and a complement to ODA. An arrangement should be established for moving towards the agreements set forth in the Doha Declaration on Financing for Development on the need to find more universal and systematic ways to track ODA. It was also essential to carry out the Doha Development Agenda: the current crisis should provide the much-needed incentive to finally move forward on that front.

95. With regard to the systemic aspects of the crisis, there were two key issues. First, there should be overall global coordination and coherence in economic decision-making, with the United Nations as a major actor. Second, the democratic deficit in the current system and its architecture had to be addressed by ensuring greater participation of developing countries in international economic discussion and standard-setting.

96. There were three main aspects of the reform of the international financial institutions. First, governance structures should be changed to reflect more adequately the current global economy and the weight of developing countries. Second, there should be a fundamental review of their macroeconomic policy fundamentals, particularly in relation to conditionality, policy space and enhancement of the counter-cyclical capacities of developing countries. Third, there should be closer coordination with the United Nations in the implementation of existing agreements, while new agreements should also be sought.

97. As for the issue of global regulation, Egypt favoured either the idea of strengthening the current Financial Stability Forum and making it more democratic or the idea of setting up a new global regulatory mechanism. Changing the name of the Financial Stability Forum and expanding its membership to include the Group of Twenty was not an answer to the problem, as a new global mechanism was needed to improve the functioning of financial markets and enhance overall stability and reduce vulnerability to financial shocks. Further, on the issue of strengthening the global capital reserve system, new ways and means should be explored for addressing the current global imbalance. The upcoming Conference on the World Financial and Economic Crisis should address that issue as part and parcel of addressing systemic issues related to the crisis. Egypt appreciated the efforts of the Group of Twenty and its input at the Washington and London Summits, but noted that Africa was still underrepresented in that forum.

98. His Government attached great importance to the issue of enhancing global coordination between all relevant forums, including the Group of Twenty. It was inconceivable, at a time of proliferation of international, regional and national responses to the crisis, that there was a lack of coordination and coherence between those efforts. A mechanism created for that purpose might require a new institutional arrangement. In conclusion, he could not emphasize enough the issue of appropriate follow-up to the outcome of the Conference, follow-up that was separate from but coordinated with strengthened follow-up on financing for development. The Conference was part of a process, not a one-time effort.

99. **Mr. Gagain** (Observer for the Dominican Republic) said that his Government's priority was financing for development in order to achieve the Millennium Development Goals. The high-level

meeting was very important because it included both the United Nations and the international financial institutions. The presentation of the *Global Monitoring Report 2009* of the World Bank and IMF had led to debate, criticism, and an opportunity to see where the international community stood in relation to the Goals. However, if the slowdown in growth was an obstacle to progress in eradicating poverty and achieving the other Goals and also had a high cost in human development, the question arose as to what type of growth the international community wished to pursue.

100. The Dominican Republic had experienced high growth rates for the past four years, but in 2008 it had spent more on oil in the first four or five months of that year than in the 12 months of 2004. Clearly, growth could not be the only factor for meeting the Goals. If oil and food prices were high because high growth had led to excessive demand, he wondered how Member States could say that they needed to pursue more growth. It was time to rethink the concept of growth, capitalism and financial markets, and rethink what kind of financing for development was needed.

101. The future agenda should give priority to combating excessive speculation and manipulation in financial markets. A golden, once-in-a-century opportunity had presented itself for those who wished to bring social justice and sustainability to global capitalism. The contents of the Report could provide critical guidance for the Organization.

102. **Mr. Kvasov** (World Bank) said that it was a misperception to consider the representatives of the Bretton Woods institutions as representing the management of those institutions. They represented the shareholders in those institutions, which were the same Member States attending at the current meeting. Therefore, any criticism that came from Member States was directed at themselves.

103. The Group of 77 and China represented 40 per cent of the shareholders of the World Bank, which was a development cooperative. When the World Bank was deliberating on major strategic policy issues, it was not the size of a shareholder that counted but the voice of its representative. Member States should understand that the report of the World Bank was a report from their representatives in that institution. In that vein, the Bank was in favour of the proposed mechanism for financing for development if it would help to overcome misunderstandings of the kind mentioned and contribute to the establishment of transparent and effective coordination between all parties. The World Bank would support the mechanism if each of its sessions would contribute to helping the hungry and the poor to live better.

104. **Mr. González Segura** (Observer for Mexico), speaking on behalf of the Rio Group, said that paragraph 89 of the Doha Declaration on Financing for Development had given the Council a mandate to consider a follow-up mechanism for financing for development. The strengthening of the follow-up mechanism was a process that would require effort and flexibility from all stakeholders and should take place in an integrated fashion with the continuous participation of all the relevant ministries, especially the ministries of development, finance, trade and foreign affairs. During the process of preparation for the Doha Conference, the Rio Group had submitted a concrete proposal, which the Secretary-General had taken into account. He understood that there would be a future opportunity to discuss that issue in a more practical and detailed manner, giving due consideration to events that had occurred subsequently.

105. The members of the Rio Group were giving careful consideration to the proposals outlined in the note by the Secretary-General (E/2009/48*) and had listened with interest to the opinions expressed in order to engage in a collective reflection on the best way to follow up on the commitments made. It was important to prepare in advance for the decision to be taken in Geneva, so that the debate would be an advanced stage when the session began, enabling them to make appropriate and timely recommendations.

106. **Mr. Sumi** (Japan) said that various ideas had been put forward by the Rio Group and the Secretary-General, but care should be taken with regard to establishing a completely new mechanism, as it would not necessarily lead to improvements. Japan would prefer to use the existing mechanism. In relation to strengthening the existing follow-up process, the format of the current meeting should be reviewed to see whether it had served its purpose. A new format could be tried every year until Member States were happy with it.

107. In order to energize the exchange between the Council and the Bretton Woods institutions in New York, it might be useful to alternate their meetings between Washington and New York. In that context, his

Government questioned the utility of having a high-level dialogue in the fall of the current year as so many meetings had already been held as a result of the crisis. Another option would be to make use of the Council's substantive session in Geneva to discuss fresh ideas.

108. **Mr. Debevoise** (World Bank) said that paragraph 78 of the Doha Declaration, regarding respective mandates, should be recalled when considering the points for reflection in the note by the Secretary-General. It was not clear that the proposed Financing for Development Committee would bring advantages. Only 6 Executive Directors would serve on the Committee, whereas at the World Bank, all 24 attended Board meetings. The Board met often and its workload would make it difficult for Executive Directors to be available for the proposed schedule of meetings. The Council needed information, and the Bank had much that was in the public domain, which could be the subject of a fact-finding phase prior to debates. He thanked the President for being open to a focused agenda, and urged greater focus on implementation issues and the use of existing data. He thought the forum could continue with those improvements.

109. **Mr. Tsounkeu** (African Development Interchange Network) expressed gratitude at being able to speak on behalf of the grass roots in Africa, for the Doha NGO Group on Financing for Development. Regarding the strengthened follow-up mechanism, he underscored the need for periodic meetings, negotiated outcomes, the inclusion of civil society and women, and exchanges among all stakeholders. Whatever solution was found, it should be recalled that poverty in Africa meant that Africa was in permanent crisis.

110. **Mr. Rosenthal** (Guatemala) said that mankind had several universal bodies for development and that cooperation among them, each working in its own mandated field, was logical. The need for that cooperation and the crisis required joint responses and a new form of development, as emphasized in the Monterrey Consensus. He respectfully noted that it was evident that a one-day annual meeting of the Bretton Woods institutions and the Council was not enough. Staff of institutions and the Secretariat and intergovernmental forums should be made to take stock, interact and coordinate. The note by the Secretary-General (E/2009/48*) was worth priority attention to ensure more systematic coordination, coherence and cooperation between the world's multilateral agencies to benefit all member countries.

111. **Ms. Kantrow** (International Chamber of Commerce (ICC)) said that the economic and financial crises made the Doha Declaration and financing for development ever more important and relevant and that, despite the commitments made at Monterrey, not enough had been done to achieve the goals agreed upon. However, the Doha Declaration had been a call for stronger cooperation and assistance. Monterrey had called for unified delivery, and the United Nations had to be recognized as the venue to ensure consistency and coherence of all international financing for development agendas.

112. The business sector felt that the follow-up process should be results-oriented: expert exchanges in the public and private sectors should result in road maps, tools and benchmarks. The follow-up process had to be in alignment with the Accra Agenda for Action. Regional meetings could bring stakeholders together, and pilots could be designated for future action. Official resources had to be leveraged through the private sector. The business sector supported the process summarized in the note by the Secretary-General, including the multi-stakeholder approach to financing for development. Follow-up needed more time, and meetings should produce concrete results. The business sector was committed to its core values and firmly believed that it was essential to restoring confidence in the world economy and implementing the Monterrey Consensus and Doha Declaration.

113. **Mr. Ovalles-Santos** (Bolivarian Republic of Venezuela) said that he supported the proposals of the Group of 77 and the Rio Group regarding strengthening of the follow-up mechanism and that more time should be dedicated to that question. The United Nations played a leading role so it should set development policies, and the pertinent government ministries should work together in the forums of the Organization.

114. **Mr. Aass** (World Bank) said that the Bretton Woods institutions had not been drawn in before the Doha Conference as they had before the Monterrey Conference. With regard to the Financing for Development Committee, the stress should be on informality and real dialogue. He wondered if the format could include retreats, although there had been

scepticism regarding that form of interaction among some on the World Bank Board.

115. **Mr. Almeida** (Brazil) said that, as a starting point, there was dissatisfaction with the current mechanism. More meaningful discussion should and could be possible. His delegation supported the proposal of the Rio Group and had given its input prior to the Doha Conference. He thought there could be discussions on the format and wondered if there was a specific agenda that would allow for progress before the Geneva session.

116. **Mr. Di-Aping** (Sudan) said that he wanted to underscore the important three divisions in the Group of Twenty Summit resolution of 2008 and asked what the implications were if the developed countries would not fund the World Bank and if IMF was not mandated with key development tasks. That emerging hierarchy needed to be addressed. Notwithstanding the recommendation of the Secretary-General, he wondered if an institutional framework was required for financing for development follow-up.

117. **The President** said, in response to the comments from Brazil and the Sudan, in line with the Doha mandate and taking advantage of the format of the meeting, that the issue of how to strengthen the follow-up process had to be addressed so that recommendations could be made for action by the General Assembly. There would be informal consultations with all stakeholders leading up to the substantive session in Geneva, and the summary by the President of the special high-level meeting would serve as input for the outcome document of the Conference on the World Financial and Economic Crisis in June.

Concluding comments and closure of the special high-level meeting

118. **The President** said, in summation, that there had been interest and engagement on the subject of the challenges of providing effective, coordinated and coherent responses and on the implications for the medium-term and financial monetary architecture and global governance. It had been agreed that the crisis was global and unprecedented, requiring unprecedented responses and cooperation. Many had said that the financial and economic crisis had been man-made and that it should not become a human crisis because developing countries could take a long time to recover and could face lasting consequences for development prospects. A strong call had been made for the Millennium Development Goals to be reached by 2015, and it had been said that promises and commitments had to be honoured. Emphasis had been put on the importance of preventing a full-fledged human crisis, and many had felt the human aspect had not been dealt with adequately.

119. Many had mentioned the multi-dimensional aspect of the crises, with the food and energy crises coinciding, along with climate change. It had been felt that developing countries should be aided to respond with additional fiscal capabilities, particularly with financing through grants, and should be able to undertake counter-cyclical policies, free from the constraints of conditionalities. It had been recognized that there were new and innovative financial facilities, including trade financing and new flexible credit lines, to assist developing countries. The intention or decision to double and triple resources to be made available to the developing countries by the international financial institutions had been noted with appreciation. It would from then on be a question of performance and seeing how bottlenecks could be overcome so as not to prevent disbursement.

120. Many speakers had noted that some key donors had been keeping to their commitments despite the repercussions of the crisis and there had been calls for the international community to act more to sustain aid levels, something that was in their own interest as recovery would depend on rapid recovery by the developing world. It had been further noted that there was the potential for a new debt crisis, highlighting the importance of more grants and concessional financing. There had been some calls to consider debt service moratoriums to avoid a future crisis and to increase the fiscal space of developing countries. There had been general agreement on all countries cooperating to ward off protectionism, both in trade and finance, in order to avoid worsening the crisis.

121. Many statements had emphasized that making progress on the development-oriented WTO negotiations under the Doha Round was critical in that effort. Many references had been made to reforms undertaken and the need for further reform of the international financial institutions aimed at increasing the voice and participation of developing countries, to restore the effectiveness and legitimacy of those institutions as critical tools in global governance and in providing multilateral platforms for responding to global challenges.

122. The importance of the Conference in June on the impact of the economic and financial crisis on development had been mentioned by many, as well as the contribution and the role of the Council in that respect and also of the special high-level meeting in preparation for the Conference. Many speakers had said that the recommendations of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System (A/63/838) merited serious consideration.

123. Much emphasis had been put on the indispensable and crucial role that the United Nations had to play at that critical juncture to generate a shared understanding of the challenge posed, to help to facilitate coherence in the response to that multi-dimensional crisis and to serve as a forum to discuss the principles of global governance. She also wished to stress the mutual understanding and bridge-building that had been evident during the meeting and was also important in discussions on financing for development.

124. Regarding theme 2, it had been agreed that the meeting had been a start for exchanges and that a more robust and effective process was required. There had been agreement that the spirit of Monterrey had been lost somewhat in the previous year and that was why heads of State and Government had agreed in Doha to give the Council the mandate to move to strengthen the financing for development follow-up. There had been agreement on the criteria for a strengthened process and the need to maintain a multi-stakeholder structure, with improved productivity and exchanges, and some had said that there should be more reflection on the best format for a strengthened process.

125. The proposal of the Rio Group had been recalled, as was that of the Secretary-General, on financing for development. The need for the Council to continue to play a crucial role in that process had been stressed by some. There would be consultations and exchanges to draw up recommendations for a strengthened process that would be as inclusive as possible, and good note had been taken of the comments to the effect that consultations with all stakeholders were necessary.

126. She declared closed the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development.

The meeting rose at 6.50 p.m.

United Nations E/2009/SR.7

Economic and Social Council

Provisional

25 June 2009

Original: English

Resumed organizational session of 2009

Provisional summary record of the 7th meeting
Held at Headquarters, New York, on Monday, 18 May 2009, at 10 a.m.

President: Ms. Lucas ..... (Luxembourg)

Contents

Elections, nominations, confirmations and appointments (*continued*)

Adoption of the agenda and other organizational matters (*continued*)

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The meeting was called to order at 10.20 a.m.

Elections, nominations, confirmations and appointments (*continued*) (E/2009/2/Add.1, Add.1/Corr.1 and Add.2)

International Narcotics Control Board
(E/2009/9/Add.10, E/2009/9/Add.12, E/2009/9/Add.13 and E/2009/9/Add.18)

1. **The President** drew attention to document E/2009/9/Add.13 containing information on the candidates nominated by the World Health Organization. Since there were three candidates and only one seat, she invited the Council to elect one of them by secret ballot as a member of the International Narcotics Control Board for a five-year term beginning on 2 March 2010.

2. *At the invitation of the President, Mr. Dah (Côte d'Ivoire) and Mr. Palavicini-Guédez (Bolivarian Republic of Venezuela) acted as tellers.*

3. *A vote was taken by secret ballot.*

Number of ballot papers:	51
Number of valid ballots:	51
Number of members voting:	51
Required majority:	26
Number of votes obtained:	
Mr. Rajat Ray (India)	25
Ms. Soyannwo (Nigeria)	18
Mr. Gallardo (Chile)	8

4. *No candidate having obtained the required majority, a second vote was taken by secret ballot, restricted to the two candidates who had received the largest number of votes.*

5. *At the invitation of the President, Mr. Maboundou (Congo) and Mr. Dugan (United States of America) acted as tellers.*

Number of ballot papers:	51
Number of valid ballots:	51
Number of members voting:	51
Required majority:	26
Number of votes obtained:	
Mr. Ray (India)	30
Ms. Soyannwo (Nigeria)	21

6. *Mr. Ray (India) was elected a member of the International Narcotics Control Board.*

7. **The President** drew attention to the list of candidates nominated by governments contained in document E/2009/9/Add.10 and the biographical information in document E/2009/9/Add.12, and invited the Council to elect, by secret ballot, five members to the International Narcotics Control Board for a five-year term of office, beginning on 2 March 2010. The candidacy of Mr. Chandra Verma had been withdrawn by the Government of India.

8. *At the invitation of the President, Ms. Velichko (Belarus) and Mr. Mohamed (Iraq) acted as tellers.*

A vote was taken by secret ballot.

Number of ballot papers:	51
Invalid ballots:	1
Number of valid ballots:	50
Number of members voting:	50
Required majority:	26
Number of votes obtained:	
Mr. Moinard (France)	43
Mr. Sumyai (Thailand)	32
Ms. Dmitrieva (Russian Federation)	27
Mr. Uribe Granja (Colombia)	26
Mr. Naidoo (South Africa)	23
Mr. Sieroslawski (Poland)	18
Mr. Pompey (St. Vincent and the Grenadines)	15
Mr. Sarsilmaz (Turkey)	15
Mr. Mørland (Norway)	12
Mr. Egnakou (Côte d'Ivoire)	10
Mr. Kamil Kalina (Czech Republic)	8
Mr. Eduardo Kalina (Argentina)	4
Ms. Llerena (Argentina)	4
Mr. Thapa (Nepal)	4
Mr. Le Gollee (Chad)	3
Ms. Petrusevska (The former Yugoslav Republic of Macedonia)	1
Mr. Zhariev (The former Yugoslav Republic of Macedonia)	0

9. *Having obtained the required majority, Ms. Dmitrieva (Russian Federation), Mr. Moinard (France), Mr. Sumyai (Thailand),and Mr. Uribe Granja (Colombia) were elected members of the International Narcotics Control Board.*

10. *No other candidate having obtained the required majority, a second vote was taken by secret ballot, restricted to the two candidates who had received the next highest number of votes.*

11. *At the invitation of the President, Ms. Velichko (Belarus) and Mr. Mohamed (Iraq) again acted as tellers.*

Number of ballot papers:	52
Number of valid ballots:	52
Abstentions:	1
Number of members voting:	51
Required majority:	26
Number of votes obtained:	
Mr. Naidoo (South Africa)	32
Mr. Sieroslawski (Poland)	19

12. *Having obtained the required majority, Mr. Naidoo (South Africa) was elected a member of the International Narcotics Control Board.*

Statistical Commission (E/2009/9/Add.1)

13. **The President** invited the Council to elect eight members to the Statistical Commission for a four-year term beginning on 1 January 2010.

14. **Ms. de Laurentis** (Secretary of the Council) said that Botswana, Cameroon and Morocco had been endorsed by the Group of African States; the Russian Federation had been endorsed by the Group of Eastern European States; Colombia had been endorsed by the Group of Latin American and Caribbean States; and Australia, Italy and Norway had been endorsed by the Group of Western European and Other States.

15. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies for each group, she took it that the Council wished to elect by acclamation the candidates proposed.

16. *It was so decided.*

17. *Australia, Botswana, Cameroon, Colombia, Italy, Morocco, Norway and the Russian Federation were elected members of the Statistical Commission.*

Commission on Population and Development (E/2009/9/Add.1)

18. **The President** invited the Council to elect 16 members to the Commission on Population and Development for a four-year term beginning at the first meeting, held in 2010, of the Commission's forty-fourth session and expiring at the close of the Commission's forty-seventh session in 2014.

19. **Ms. de Laurentis** (Secretary of the Council) said that Angola, Ghana, Malawi and Senegal had been endorsed by the Group of African States; China, India, Malaysia and the Philippines had been endorsed by the Group of Asian States; Hungary and the Russian Federation had been endorsed by the Group of Eastern European States; Guatemala, Jamaica and Saint Lucia had been endorsed by the Group of Latin American and Caribbean States; and Luxembourg and the United Kingdom were the candidates from the Group of Western European and Other States.

20. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies for each group, she took it that the Council wished to elect by acclamation the candidates proposed.

21. *It was so decided.*

22. *Angola, China, Ghana, Guatemala, Hungary, India, Jamaica, Luxembourg, Malaysia, Malawi, Philippines, Russian Federation, Saint Lucia, Senegal, and the United Kingdom were elected members of the Commission on Population and Development.*

23. **The President** invited the Council to elect a member of the Group of Asian States to the Commission on Population and Development to fill an outstanding vacancy for a term beginning on the date of the election and expiring at the close of the Commission's forty-sixth session in 2013.

24. **Ms. de Laurentis** (Secretary of the Council) said that Indonesia had been endorsed by the Group of Asian States.

25. **The President** said she took it that the Council wished to elect by acclamation the candidate proposed.

26. *It was so decided.*

27. *Indonesia was elected a member of the Commission on Population and Development.*

28. **The President** said that, in the absence of any other candidates for the Commission on Population and Development, she took it that the Council wished to postpone the election of one member from the Group of Latin American and Caribbean States and one member from the Group of Western European and Other States for a four-year term beginning at the first meeting of the Commission's forty-fourth session and expiring at the close of its forty-seventh session in 2014.

29. *It was so decided.*

Commission on the Status of Women (E/2009/9/Add.1)

30. **The President** invited the Council to elect 13 members to the Commission on the Status of Women for a four-year term beginning at the first meeting of the Commission's fifty-fifth session, in 2010, and expiring at the close of the Commission's fifty-eighth session in 2014.

31. **Ms. de Laurentis** (Secretary of the Council) said that the Central African Republic, Comoros, Gambia, Libyan Arab Jamahiriya and Swaziland had been endorsed by the Group of African States; Bangladesh, Malaysia, Mongolia, the Philippines and Republic of Korea had been endorsed by the Group of Asian States; and Argentina, El Salvador and Uruguay had been endorsed by the Group of Latin American and Caribbean States.

32. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies for each group, she took it that the Council wished to elect by acclamation the candidates proposed.

33. *It was so decided.*

34. *Argentina, Bangladesh, the Central African Republic, Comoros, El Salvador, the Gambia, the Libyan Arab Jamahiriya, Malaysia, Mongolia, the Philippines, Republic of Korea, Swaziland and Uruguay were elected members of the Commission on the Status of Women.*

Commission on Narcotic Drugs (E/2009/9/Add.1)

35. **The President** invited the Council to elect 20 members to the Commission on Narcotic Drugs for a four-year term beginning on 1 January 2010.

36. **Ms. de Laurentis** (Secretary of the Council) said that Côte d'Ivoire, Ghana, Sierra Leone and Swaziland had been endorsed by the Group of African States; India, the Lao People's Democratic Republic, Myanmar and Saudi Arabia had been endorsed by the Group of Asian States; Belarus, Romania and the Russian Federation had been endorsed by the Group of Eastern European States; Bolivia (Plurinational State of), Brazil, Chile and Colombia had been endorsed by the Group of Latin American and Caribbean States; and Australia, Belgium, Canada, France and the United Kingdom had been endorsed by the Group of Western European and Other States.

37. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies for each group, she took it that the Council wished to elect by acclamation the candidates proposed.

38. *It was so decided.*

39. *Australia, Belarus, Belgium, Bolivia (Plurinational State of), Brazil, Canada, Chile, Colombia, Côte d'Ivoire, France, Ghana, India, the Lao People's Democratic Republic, Myanmar, Romania, the Russian Federation, Saudi Arabia, Sierra Leone, Swaziland and the United Kingdom were elected members of the Commission on Narcotic Drugs.*

Commission on Crime Prevention and Criminal Justice (E/2009/9/Add.1)

40. **The President** invited the Council to elect 20 members to the Commission on Narcotic Drugs for a three-year term beginning on 1 January 2010.

41. **Ms. de Laurentis** (Secretary of the Council) said that Angola, Benin, Cameroon and Nigeria had been endorsed by the Group of African States; India, Iran (Islamic Republic of), Pakistan, the Philippines and Saudi Arabia had been endorsed by the Group of Asian States; Belarus and Ukraine had been endorsed by the Group of Eastern European States; Argentina, Brazil, Chile, Mexico and Saint Vincent and the Grenadines had been endorsed by the Group of Latin American and Caribbean States; and Canada, Turkey, the United Kingdom and the United States of America had been endorsed by the Group of Western European and Other States.

42. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

43. *It was so decided.*

44. *Angola, Argentina, Belarus, Benin, Brazil, Cameroon, Canada, Chile, India, Iran (Islamic Republic of), Mexico, Nigeria, Pakistan, the Philippines, Saint Vincent and the Grenadines, Saudi Arabia, Turkey, Ukraine, the United Kingdom and the*

United States of America were elected members of the Commission on Crime Prevention and Criminal Justice.

Commission on Sustainable Development
(E/2009/9/Add.1)

45. **The President** invited the Council to elect 17 members to the Commission on Sustainable Development for a three-year term beginning at the organizational meeting of the Commission's nineteenth session, in 2010, and expiring at the close of the Commission's twenty-first session, in 2013.

46. **Ms. de Laurentis** (Secretary of the Council) said that Algeria, Benin, Côte d'Ivoire and Togo had been endorsed by the Group of African States; Kazakhstan, Malaysia, Mongolia and Thailand had been endorsed by the Group of Asian States; Belarus and Latvia had been endorsed by the Group of Eastern European States; the Bahamas, Panama and Peru had been endorsed by the Group of Latin American and Caribbean States; and Denmark, France, the Netherlands and Norway had been endorsed by the Group of Western European and Other States.

47. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

48. *It was so decided.*

49. *Algeria, the Bahamas, Belarus, Benin, Côte d'Ivoire, Denmark, France, Kazakhstan, Latvia, Malaysia, Mongolia, the Netherlands, Norway, Panama, Peru, Thailand and Togo were elected members of the Commission on Sustainable Development.*

50. **The President** invited the Council to elect two members from the Group of Western European and Other States to the Commission on Sustainable Development to fill two outstanding vacancies, for a term beginning on the date of election and expiring at the close of the Commission's twentieth session, in 2012.

51. **Ms. de Laurentis** (Secretary of the Council) said that Luxembourg and the United Kingdom had been endorsed by the Group of Western European and other States.

52. **The President** said she took it that the Council wished to elect by acclamation the candidates proposed.

53. *It was so decided.*

54. *Luxembourg and the United Kingdom were elected members of the Commission on Sustainable Development.*

Committee for Programme and Coordination
(E/2009/9/Add.2)

55. **The President** invited the Council to nominate seven members for election by the General Assembly to the Committee for Programme and Coordination for a three-year term beginning on 1 January 2010.

56. **Ms. de Laurentis** (Secretary of the Council) said that the Comoros and Namibia had been endorsed by the Group of African States; the Russian Federation had been endorsed by the Group of Eastern European States; Venezuela (Bolivarian Republic of) had been endorsed by the Group of Latin American and Caribbean States; and Israel was the non-endorsed candidate from the Group of Western European and Other States.

57. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies to be filled by each group, she took it that the Council wished to nominate the candidates proposed.

58. *It was so decided.*

59. *The Comoros, Namibia, the Russian Federation and Venezuela (Bolivarian Republic of) were nominated for election by the General Assembly to the Committee for Programme and Coordination.*

60. **The President** invited the Council to take action on one of the outstanding vacancies remaining from previous elections to the Committee for Programme and Coordination.

61. **Ms. de Laurentis** (Secretary of the Council) said that Israel had been endorsed by the Group of Western European and other States.

62. **The President** said she took it that the Council wished to nominate the candidate proposed for election by the General Assembly for a term beginning on the date of election and expiring on 31 December 2009.

63. *It was so decided.*

64. *Israel was nominated for election by the General Assembly to the Committee for Programme and Coordination.*

65. **The President** said that, in the absence of any other candidates for the Committee for Programme and Coordination, she took it that the Council wished to postpone the nomination of one member from the Group of Latin American and Caribbean States and one member from the Group of Western European and Other States for election by the General Assembly to the Committee for Programme and Coordination for a three-year term beginning on 1 January 2010.

66. *It was so decided.*

67. **The President** recalled that there were three outstanding vacancies on the Committee for Programme and Coordination from the Group of Western European and Other States, for a term expiring on 31 December 2011.

Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals
(E/2009/9/Add.14 and Add.15)

68. **The President** drew attention to documents E/2009/9/Add.14 and Add.15 regarding an application from Kenya for full membership on the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals, including its two Subcommittees, and an application from the Republic of Korea for full membership on the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals. She took it that the Council wished to endorse the Secretary-General's decision to approve the applications of Kenya and the Republic of Korea.

69. *It was so decided.*

Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
(E/2009/9/Add.3)

70. **The President** invited the Council to elect 13 members to the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting for a three-year term beginning on 1 January 2010.

71. **Ms. de Laurentis** (Secretary of the Council) said that Benin, Cameroon, Egypt and the United Republic of Tanzania had been endorsed by the Group of African States; Brazil had been endorsed by the Group of Latin American and Caribbean States.

72. **The President** said that, since the number of candidates from the Group of African States and the Group of Latin American and Caribbean States was equal to or less than the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

73. *It was so decided.*

74. *Benin, Brazil, Cameroon, Egypt and the United Republic of Tanzania were elected members of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.*

75. **The President** invited the Council to take action on one of the outstanding vacancies remaining from previous elections to the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

76. **Ms. de Laurentis** (Secretary of the Council) said that Namibia had been endorsed by the Group of African States.

77. **The President** said she took it that the Council wished to elect by acclamation the candidate proposed for a term beginning on the date of election and expiring on 31 December 2011.

78. *It was so decided.*

79. *Namibia was elected a member of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.*

80. **The President** said that, in the absence of any other candidates for the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, she took it that the Council wished to postpone the election of four members from the Group of Asian States, two members from the Group of Eastern European States and two members from the Group of Latin American and Caribbean States for a three-year term beginning on 1 January 2010.

81. *It was so decided.*

82. **The President** said she further took it that the Council wished to postpone the election of three members from the Group of Asian States and two members from the Group of Latin American and Caribbean States for a term beginning on the date of election and expiring on 31 December 2009, and the election of one member from the Group of African States, three members from the Group of Latin American and Caribbean States and six members from the Group of Western European and Other States for a term beginning on the date of election and expiring on 31 December 2011.

83. *It was so decided.*

Committee for Development Policy

84. **The President** drew attention to the annotation in the Council's provisional agenda regarding the deferral of action on the appointment of 24 experts to the Committee for Development Policy until information on the nominees proposed by the Secretary-General was made available to the Council.

Committee of Experts on Public Administration (E/2009/9/Add.11 and Add.16)

85. **The President** invited the Council to consider the appointment of 24 members of the Committee of Experts on Public Administration, information about whom could be found in documents E/2009/9/Add.11 and E/2009/9/Add.16. She took it that the Council wished to approve the nomination by the Secretary-General of the 24 experts and agreed to appoint them to the Committee for a four-year term beginning on 1 January 2010.

86. *It was so decided.*

Committee of Experts on International Cooperation in Tax Matters

87. **The President** drew attention to the annotation in the Council's provisional agenda regarding the appointment of 25 experts to the Committee of Experts on International Cooperation in Tax Matters. The list of experts appointed by the Secretary-General would be available to the Council at its substantive session in July 2009.

Executive Board of the United Nations Children's Fund (E/2009/9/Add.4)

88. **The President** invited the Council to elect 14 members to the Executive Board of the United Nations Children's Fund for a three-year term beginning on 1 January 2010.

89. **Ms. de Laurentis** (Secretary of the Council) said that Cape Verde, the Congo, Malawi, Somalia and Tunisia had been endorsed by the Group of African States; Kazakhstan, Pakistan and Qatar had been endorsed by the Group of Asian States; Belarus had been endorsed by the Group of Eastern European States; El Salvador had been endorsed by the Group of Latin American and Caribbean States; and Denmark, France, Ireland and Luxembourg had been endorsed by the Group of Western European and Other States.

90. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

91. *It was so decided.*

92. *Belarus, Cape Verde, the Congo, Denmark, El Salvador, France, Ireland, Kazakhstan, Luxembourg, Malawi, Pakistan, Qatar, Somalia and Tunisia were elected members of the Executive Board of the United Nations Children's Fund.*

93. **The President** said the Council had been informed that Finland, Japan and the Netherlands were resigning their seats on the Executive Board of the United Nations Children's Fund, effective 1 January 2010. New Zealand and the United Kingdom, respectively, had been endorsed to complete the terms of office of Japan and the Netherlands, which were due to expire on 31 December 2010, and Iceland had been endorsed to complete Finland's term of office, which was due to expire on 31 December 2011. She took it that the Council wished to elect by acclamation Iceland, New Zealand and the United Kingdom to the Executive Board of the United Nations Children's Fund for the aforementioned terms of office.

94. *It was so decided.*

95. *Iceland, New Zealand and the United Kingdom were elected members of the Executive Board of the United Nations Children's Fund.*

Executive Committee of the Programme of the United Nations High Commissioner for Refugees

96. **The President** drew attention to resolution 63/146 of 18 December 2008, by which the General Assembly had decided to increase the number of members of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees from 76 to 78 States and requested the Council to elect the additional members. Accordingly, she invited the Council to elect two States to fill the new seats.

97. **Ms. de Laurentis** (Secretary of the Council) said that the candidates were Djibouti and the Republic of Moldova.

98. **The President** said she took it that the Council wished to elect by acclamation the candidates proposed.

99. *It was so decided.*

100. *Djibouti and the Republic of Moldova were elected members of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees.*

Executive Board of the United Nations Development Programme/United Nations Population Fund
(E/2009/9/Add.5)

101. **The President** invited the Council to elect 14 members to the Executive Board of the United Nations Development Programme/United Nations Population Fund for a three-year term beginning on 1 January 2010.

102. **Ms. de Laurentis** (Secretary of the Council) said that Burkina Faso, Cameroon, the Democratic Republic of the Congo, Rwanda and South Africa had been endorsed by the Group of African States; India, Pakistan and Qatar had been endorsed by the Group of Asian States; Slovenia had been endorsed by the Group of Eastern European States; Antigua and Barbuda had been endorsed by the Group of Latin American and Caribbean States; and France, Japan, the Netherlands and Spain had been endorsed by the Group of Western European and Other States.

103. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

104. *It was so decided.*

105. *Antigua and Barbuda, Burkina Faso, Cameroon, the Democratic Republic of the Congo, France, India, Japan, the Netherlands, Pakistan, Qatar, Rwanda, Slovenia, South Africa and Spain were elected members of the Executive Board of the United Nations Development Programme/United Nations Population Fund.*

106. **The President** said the Council had been informed that Germany, New Zealand, Norway and Turkey were resigning their seats on the Executive Board of the United Nations Development Programme/United Nations Population Fund, effective 1 January 2010. Canada and Switzerland had been endorsed to complete the terms of office of New Zealand and Turkey, respectively, which were due to expire on 31 December 2010; Belgium and Sweden had been endorsed to complete the terms of office of Germany and Norway, respectively, which were due to expire on 31 December 2011. She took it that the Council wished to elect by acclamation Belgium, Canada, Sweden and Switzerland to the Executive Board of the United Nations Development Programme/United Nations Population Fund for the aforementioned terms of office.

107. *It was so decided.*

108. *Belgium, Canada, Sweden and Switzerland were elected members of the Executive Board of the United Nations Development Programme/United Nations Population Fund.*

Executive Board of the World Food Programme
(E/2009/9/Add.6)

109. **The President** invited the Council to elect six members to the Executive Board of the World Food Programme for a three-year term beginning on 1 January 2010.

110. **Ms. de Laurentis** (Secretary of the Council) said that Burkina Faso had been endorsed by the Group of African States; the Russian Federation had been endorsed by the Group of Eastern European States; and India and Iran (Islamic Republic of) were the non-endorsed candidates from the Group of Asian States.

111. **The President** said that since the number of candidates from the Group of African States, the Group of Asian States and the Group of Eastern European States was equal to the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

112. *It was so decided.*

113. *Burkina Faso, India, Iran (Islamic Republic of) and the Russian Federation were elected members of the Executive Board of the World Food Programme.*

114. **The President** said that, in the absence of any other candidates for the Executive Board of the World Food Programme, she took it that the Council wished to postpone the election of two members from the Group of Western European and Other States for a three-year term beginning on 1 January 2010.

115. *It was so decided.*

Executive Board of the International Research and Training Institute for the Advancement of Women (E/2009/9/Add.7)

116. **The President** invited the Council to elect 10 members to the Executive Board of the International Research and Training Institute for the Advancement of Women for a three-year term beginning on 1 January 2010.

117. **Ms. de Laurentis** (Secretary of the Council) said that Honduras and Saint Vincent and the Grenadines, were the endorsed and non-endorsed candidates respectively, from the Group of Latin American and Caribbean States.

118. **The President** said that, since the number of candidates from the Group of Latin American and Caribbean States was equal to the number of vacancies for that group, she took it that the Council wished to elect by acclamation the candidates proposed.

119. *It was so decided.*

120. *Honduras and Saint Vincent and the Grenadines were elected members of the Executive Board of the International Research and Training Institute for the Advancement of Women.*

121. **The President** said that, in the absence of any other candidates for the Executive Board of the International Research and Training Institute for the Advancement of Women, she took it that the Council wished to postpone the election of two members from the Group of African States, two members from the Group of Asian States, two members from the Group of Eastern European States and two members from the Group of Western European and Other States for a three-year term beginning on 1 January 2010.

122. *It was so decided.*

Committee for the United Nations Population Award (E/2009/9/Add.8)

123. **The President** invited the Council to elect 10 members to the Committee for the United Nations Population Award for a three-year term beginning on 1 January 2010.

124. **Ms. de Laurentis** (Secretary of the Council) said that Guatemala and Jamaica had been endorsed by the Group of Latin American and Caribbean States and that the United Republic of Tanzania was the non-endorsed candidate from the Group of African States.

125. **The President** said that, since the number of candidates from the Group of African States and the Group of Latin American and Caribbean States was equal to or less than the number of vacancies to be filled by each group, she took it that the Council wished to elect by acclamation the candidates proposed.

126. *It was so decided.*

127. *Guatemala, Jamaica and the United Republic of Tanzania were elected members of the Committee for the United Nations Population Award.*

128. **The President** said that, in the absence of any other candidates for the Committee for the United Nations Population Award, she took it that the Council wished to postpone the election of two members from the Group of African States, two members from the Group of Asian States, one member from the Group of Eastern European States, one member from the Group of Latin American and Caribbean States and one member from the Group of Western European and other States for a three-year term beginning on 1 January 2010.

129. *It was so decided.*

Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (E/2009/9/Add.9)

130. **The President** invited the Council to elect nine members to the Programme Coordinating Board of the

Joint United Nations Programme on HIV/AIDS for a three-year term beginning on 1 January 2010.

131. **Ms. de Laurentis** (Secretary of the Council) said that Botswana had been endorsed by the Group of African States; Japan had been endorsed by the Group of Asian States; Poland had been endorsed by the Group of Eastern European States; El Salvador had been endorsed by the Group of Latin American and Caribbean States; and the Netherlands, Sweden and the United Kingdom had been endorsed by the Group of Western European and Other States.

132. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies for each group, she took it that the Council wished to nominate the candidates proposed.

133. *It was so decided.*

134. *Botswana, El Salvador, Japan, Netherlands, Poland, Sweden and the United Kingdom were elected members of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS.*

135. **The President** said the Council had been informed that Switzerland and Denmark were resigning their seats on the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS with effect from 1 January 2010 and 1 January 2011, respectively. Sweden had been endorsed to complete Switzerland's term of office, which was due to expire on 31 December 2009, and Finland had been endorsed to complete Denmark's term of office, which was due to expire on 31 December 2011. She took it that the Council wished to elect by acclamation Sweden and Finland to the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS for the aforementioned terms of office.

136. *It was so decided.*

137. *Sweden and Finland were elected members of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS.*

138. **The President** said that, in the absence of any other candidates for the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS, she took it that the Council wished to postpone the election of one member from the Group of African States and one member from the Group of Asian States for a three-year term beginning on 1 January 2010.

139. *It was so decided.*

Commission for Social Development

140. **The President** invited the Council to elect members to the Commission for Social Development to fill two of three outstanding vacancies from previous elections for a term beginning on the date of election and expiring at the close of the Commission's fifty-first session in 2013.

141. **Ms. De Laurentis** (Secretary of the Council) said that Brazil and Venezuela (Bolivarian Republic of) had been endorsed by the Group of Latin American and Caribbean States.

142. **The President** said she took it that the Council wished to elect Brazil and Venezuela (Bolivarian Republic of) by acclamation.

143. *It was so decided.*

144. *Brazil and Venezuela (Bolivarian Republic of) were elected members of the Commission for Social Development.*

145. **The President** said the Council had been informed that Denmark had resigned its seat on the Commission for Social Development upon the conclusion of the Commission's forty-seventh session.

146. **Ms. de Laurentis** (Secretary of the Council) said that Sweden had been endorsed to complete Denmark's term of office.

147. **The President** said she took it that the Council wished to elect Sweden to replace Denmark on the Commission for Social Development for a term of office beginning immediately and expiring at the conclusion of the Commission's fifty-first session.

148. *It was so decided.*

149. *Sweden was elected to replace Denmark on the Commission for Social Development.*

150. **The President** said that, in the absence of any other candidates for the Commission for Social Development, she took it that the Council wished to further postpone the election of one member from the Group of Eastern European States for a term beginning on the date of election and expiring at the close of the Commission's fifty-first session in 2013.

151. *It was so decided.*

Commission on Science and Technology for Development

152. **The President** invited the Council to elect a member to the Commission on Science and Technology for Development.

153. **Ms. de Laurentis** (Secretary of the Council) said that Portugal had been endorsed by the Group of Western European and Other States.

154. **The President** said she took it that the Council wished to elect Portugal by acclamation to the Commission on Science and Technology for Development for a term beginning on the date of the election and expiring at the close of the Commission's fifty-first session in 2013.

155. *It was so decided.*

156. *Portugal was elected member of the Commission on Science and Technology for Development.*

157. **The President** reminded the Council that there was still one additional vacancy on the Commission on Science and Technology for Development to be filled by the Group of Eastern European States.

Governing Council of the United Nations Human Settlements Programme

158. **The President** invited the Council to consider the outstanding vacancies on the Governing Council of the United Nations Human Settlements Programme.

159. **Ms. de Laurentis** (Secretary of the Council) said that Côte d'Ivoire had been endorsed by the Group of African States and Cuba had been endorsed by the Group of Latin American and Caribbean States.

160. **The President** said she took it that the Council wished to elect Côte d'Ivoire and Cuba by acclamation to the Governing Council of the United Nations Human Settlements Programme for a term beginning on the date of the election and expiring on 31 December 2012.

161. *It was so decided.*

162. *Côte d'Ivoire and Cuba were elected members of the Governing Council of the United Nations Human Settlements Programme.*

163. **The President** said that, as there were no other candidatures for the Governing Council of the United Nations Human Settlements Programme, she took it that the Council agreed to further postpone the election of the following five members: two members from the Group of Western European and Other States for a term beginning on the date of election and expiring on 31 December 2011; one member from the Group of Asian States and two members from the Group of Western European and Other States for a term beginning on the date of election and expiring on 31 December 2012.

164. *It was so decided.*

Adoption of the agenda and other organizational matters (*continued*)

Inclusion of a supplementary sub-item in the agenda of the substantive session of 2009 (E/2009/11 and E/2009/64; E/2009/L.7)

165. **The President** drew attention to the draft decision contained in document E/2009/L.7. At the Council's meeting on 26 March 2009, the Council had had before it document E/2009/11 containing a proposal for the inclusion of a sub-item entitled "Rehabilitation of the marshes in the southern regions of Iraq" and she understood that informal consultations had been held on that subject on 14 May.

166. **Mr. Janoušek** (Observer for the Czech Republic), speaking on behalf of the European Union, welcomed the progress made with respect to the restoration of the marshlands but understood that much still remained to be done. Some European Union member States were supporting the United Nations Environment Programme (UNEP) programme in that regard.

167. The proposed supplementary sub-item entitled "Rehabilitation of the marshes in the southern regions of Iraq" was predominantly a country-specific issue which could be more appropriately taken up by the UNEP Governing Council or as a side event of the Council's session. The European Union was concerned that adding a sub-item to the agenda could create a precedent. If the sub-item was included for the 2009 session, it should be for that session only and not become a permanent item.

168. **Mr. Al Bayati** (Iraq) said that the Iraqi marshlands formed a unique environmental ecosystem that had existed since the time of the Sumerian civilization. Despite their importance for the region,

the previous regime had used the marshlands for military purposes during and after the invasion of Kuwait and had displaced many families from the area. Since the fall of that regime, many European and Asian countries, including Japan, had helped to restore the marshlands, but more support was needed from the international community. The drought over the past three years had forced many more families out of the marshlands and it could take two to three years to restore the area. He would appreciate it if the European Union could review its position and the Council could adopt the resolution.

169. **The President** said she took it that the Council decided to include in the provisional agenda of the substantive session of 2009 of the Economic and Social Council, under agenda item 13 (a), entitled "Economic and environmental questions: sustainable development", a supplementary sub-item entitled "Rehabilitation of the marshes in the southern regions of Iraq".

170. *It was so decided.*

171. **The President** noted that a number of recommendations relating to the Council had been made in a paper on the governance of operational activities prepared by the Secretary-General in the context of the General Assembly's consultations on the coherence of the United Nations system. She was prepared to organize an exchange of views on that subject if members so wished.

The meeting rose at 12.05 pm.